



## REDTAPE LIMITED

### Registered Office

Plot No. 08, Sector 90, Noida, Gautam  
Buddha Nagar, Uttar Pradesh - 201305 India  
Tel : +91 120 6994444 | +91 120 6994400  
CIN : L74101UP2021PLC156659  
Web : www.redtape.com  
E-mail : info@redtapeindia.com

September 03, 2024

<b>BSE Limited</b> 1 <sup>st</sup> Floor, New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot no. C-1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
<b>Scrip Code: 543957</b>	<b>NSE Symbol: REDTAPE</b>

**Sub: Annual Report for the Financial Year 2023-24 along with Notice convening the 3<sup>rd</sup> Annual General Meeting of REDTAPE Limited**

Dear Sir/Ma'am,

In compliance with the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the **Annual Report** of the Company for the **Financial year 2023-24** along with the **Notice of the 3<sup>rd</sup> Annual General Meeting** of the Company scheduled to be held on **Saturday, 28<sup>th</sup> September 2024 at 11:30 AM. (IST)** through Video Conferencing/ Other Audio Visual Means (OAVM).

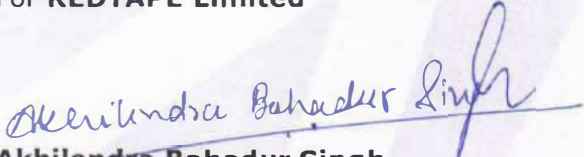
The Notice of the AGM along with the Annual Report of the Company is also available on the website of the Company at <https://redtape.com/>

This is for your kind information and record.

Thanking you,

Yours faithfully,

For **REDTAPE Limited**

  
**Akhilendra Bahadur Singh**  
Company Secretary & Compliance Officer



Encl: a/a

### Works

- C-4, 5, 36, 37, Sector - 59, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301 Tel : +91 120 4263193
- Bulk Land, UPSIDC Industrial Area, Site-II, NH-27, Distt. Unnao, Uttar Pradesh - 209801 Tel : +91 73111 70114
- Plot No. 18-19, Nand Nagar Industrial Estate Phase-1, Mahuakheraganj, Kashipur, Udham Singh Nagar, Uttarakhand - 244713 Tel : +91 70552 21530



*FROM INDIA, FOR THE WORLD*



**NEVER  
STEP BACK**

Annual Report  
2023-24

**REDTAPE LIMITED**



[www.redtape.com](http://www.redtape.com)

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# KEY HIGHLIGHTS OF 2023-24

**₹1,855.97** crore  
Revenue

**₹176.24** crore  
Profit after tax

**₹327.99** crore  
EBITDA

**₹17.67%**  
EBITDA margin

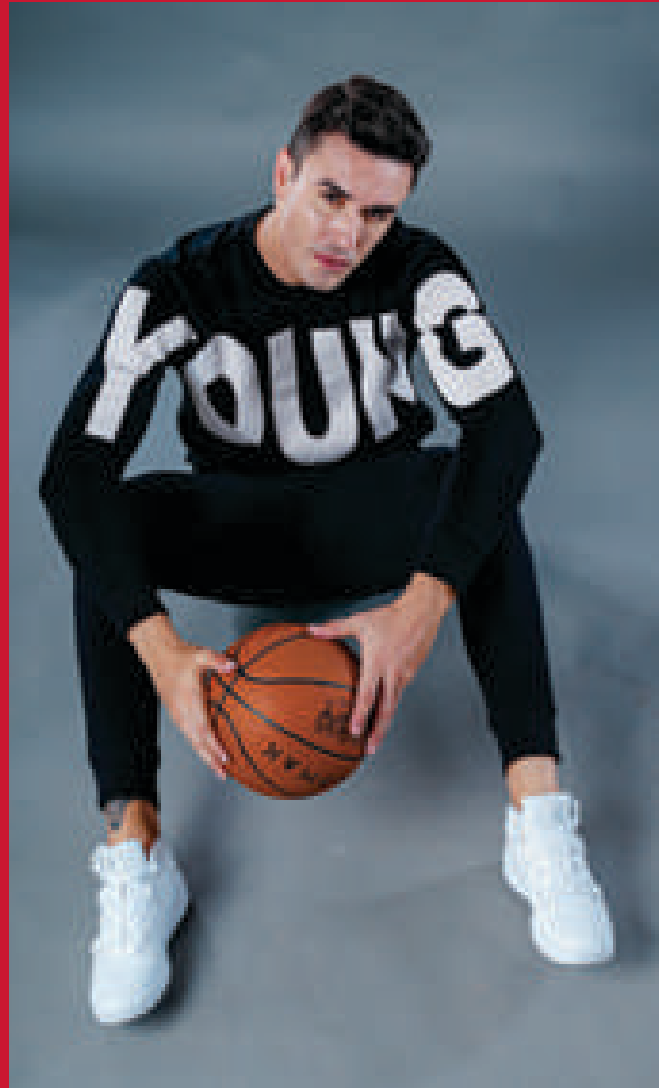


COMPANY OVERVIEW

# Frontrunners in India's fashion and lifestyle segment

With a legacy of almost 3 decades, REDTAPE has emerged as one of India's most trusted fashion and lifestyle brand with a strong presence not only limited to domestic but also International markets

## FACTS DEFINING US



### Experience

We have a rich experience of 27 years, with REDTAPE having a strong brand recall built over a span of 27 years. The brand was started with the vision of emerging as a lifestyle brand for the aspiring and ambitious next generation. We emerged as the first Indian footwear brand in 1996 to have a strong presence in the global markets like UK. Over the years, we have broad based our brand presence across various fashion verticals, and tapped into the men's clothing and accessory category in 2006. Today, our brand also caters to the fashion needs in the female and kids clothing and accessory category.




### Manufacturing and Innovation

We have an integrated footwear manufacturing unit based out of UPSIDC Industrial Area in Uttar Pradesh, and five online marketplace units located in Noida, Unnao, Kashipur, Hyderabad and Bhiwandi. Over the years, we have been conducting extensive research and making consistent product innovations to cater to the ever-changing fashion trends across the world.



## Brands

Over the past 2 decades, we have emerged as a complete fashion destination for our customers with a brand recall which is centered on comfort, quality craftsmanship, and benchmarked to international fashion trends. We have under our wing, 3 established brands which cater to the requirements of all our customers.

<p><b>Athleisure:</b> Men's Apparels, Shoes and Women's Footwear, Accessories</p>	
<p><b>Mode by REDTAPE:</b> Women's Ethnic wear</p>	
<p><b>Bond Street by REDTAPE:</b> Men's Casual footwear</p>	

## Presence

We have a strong foothold spread across 18 countries, especially in niche markets such as UK, US, Australia, Turkey, UAE, France, and Germany, among others. In India, we have not only increased our presence across the nation, but also improved our penetration in existent markets leveraging our strong presence, especially with a strong focus on digital infrastructure.



## Numbers validating us

**27** Years  
Of Experience

**1**  
Integrated footwear  
manufacturing unit

**5**  
Online Marketplace Units  
( Noida, Unnao, Kashipur, Hyderabad, Bhiwandi )

**2**  
Master Marketplace Units  
( Unnao, Kashipur )

**18** countries  
Presence

**423**  
Exclusive Stores across India

**167**  
Shop in Shop (SIS) Stores

**A** (STABLE)  
Rated by Crisil

**9** GLOBAL EXCLUSIVE SHOWROOMS

DUBAI -	04
SHARJAH -	03
NEPAL -	01
SRI LANKA -	01

**BOARD OF DIRECTORS**



**Mr. Rashid Ahmed Mirza**  
Chairman

A diploma in leather technology from London, Mr. Rashid Ahmed Mirza has been spearheading our growth and success since the very inception. He has a rich experience of more than four decades, with his expertise spread across industrial & leather technology and business management. He is responsible for the overall management of the Company.



**Mr. Shuja Mirza**  
Managing Director

A graduate in science from the California State University, USA, Mr. Shuja Mirza has a rich experience in the field of marketing. Leveraging his experience, he is managing operations, product design, development and manufacturing. He also introduced the Retailing Units and Online Division in the Company, which helped us grow exponentially. Additionally, owing to his exposure in the international markets, he is also responsible for diversifying and bringing the needed vigor to the Company.

# Leading the way to success

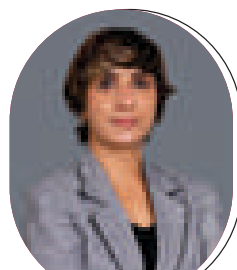
At REDTAPE, we have a very capable Board in place, comprising members from varied backgrounds and experiences. Our Board comprises of 4 Independent Directors, validating our strive to ensure robust governance, framework, centered on ethics, equality, transparency, unbiased and accountability. Our embrace of female leadership has always brought a valuable diversity of thought to the table, shaping the brand's direction and contributing to its smooth functioning in several ways. With Ms. Sunanda and Dr. Rajshree Saxena as our female directors, we have brought a different perspective to the table now and then, which encompasses the needs and preferences of a wider customer base.



**Mr. Arvind Verma**

Whole Time Director

Mr. Arvind Verma has a vast experience of 28 years in the field of sales and marketing in the fashion industry. Leveraging his rich experience and his association with the Company for 25 years, he has been instrumental in strengthening our brand recall. He is also fully involved at the micro level and the day-to-day operations of the Company. In the recent past, he has been tasked with strengthening the brand recall of the Company in the international markets as well.

**Ms. Sunanda**

Whole Time Director

Ms. Sunanda is a graduate from Miranda House (Delhi University), a post-graduate (Geography) from Kurukshetra University, and a PGCHRM from XLRI, Jamshedpur. She has more than 20 years of experience in Human Resource Management and other managerial positions. Ms. Sunanda has been with RedTape Limited for more than 14 years and is a core member of the top management team.

**Mr. Subhash Chander Sapra**

Independent Director

A science graduate from Delhi University and engineering from PEC - Chandigarh, Mr. Subhash Chander Sapra has more than 50 years of experience in handling the production of Electric Motors and about 16 years of experience installing waste-water treatment plants.

**Mr. Sanjay Bhalla**

Independent Director

A graduate in chemical engineering from Banaras Hindu University IIT, Mr. Sanjay Bhalla has a rich technical, administrative, and managerial experience of four decades. His expertise encompasses the manufacturing and distribution of consumer products. He is currently engaged in natural organic farming under the style of 'The Way We Were', based on the B2C model.





**Dr. Yashvir Singh**  
Independent Director

A post-graduate in Science and holder of M. Phil and PhD, Dr. Yashvir Singh is a scientist with an experience of more than three decades in the industry, government bodies and institutions.



**Dr. Rajshree Saxena**  
Independent Director

An MBBS and post-graduate from King George's Medical University, Lucknow, Dr. Rajshree Saxena is a gynecologist and obstetrician. She has previously been associated with Provincial Medical Services, Uttar Pradesh in various clinical and administrative positions from 1987 reaching the position of Joint Director. She took VRS in 2015 and is currently having her practice.



**CA Abhinav Jain**  
Chief Financial Officer

CA Abhinav Jain is a skilled professional with over a decade of experience in accounting, finance, and taxation. He completed his Bachelor of Commerce (Honours) from Delhi University in 2004 and became a Chartered Accountant in November 2008. CA Abhinav Jain has over 15 years of post-qualification experience.



**Mr. Akhilendra Bahadur Singh**  
Company Secretary and Compliance Officer

Mr. Akhilendra Bahadur Singh is a qualified Company Secretary and a member of the Institute of Company Secretaries of India. With a total work experience of 14 years, including over 6 years of post-qualification experience in the field of Secretarial and compliance management of both listed and unlisted companies, Mr. Singh has a wide range of expertise.

## KEY PERFORMANCE INDICATORS

# Success validated by numbers

## Profit and loss indicators

### Revenue ( 2023-24 )

( ₹ crore )



↑ Y-O-Y 25.84%

### EBITDA ( 2023-24 )

( ₹ crore )



↑ Y-O-Y 32.25%

### EBITDA margin ( 2023-24 )

( % )



↑ Y-O-Y 85 bps

### PAT ( 2023-24 )

( ₹ crore )



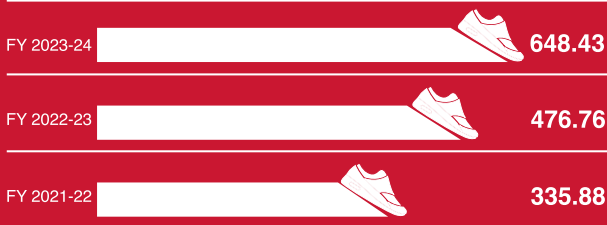
↑ Y-O-Y 23.98%

At REDTAPE, we have carved our growth trajectory on the back of a strong brand recall which is synonymous with trust, quality and the latest fashion. Additionally, our growth trajectory is also supported by rich experience, capable management team, and financial discipline



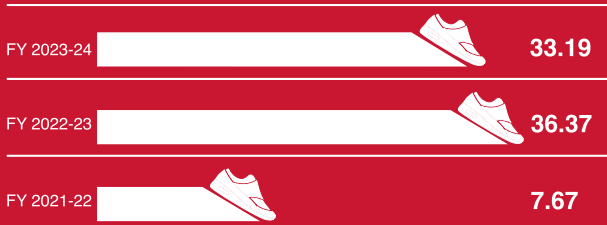
## Balance Sheet Indicators

**Net worth ( FY 2023-24 )** (₹ crore)



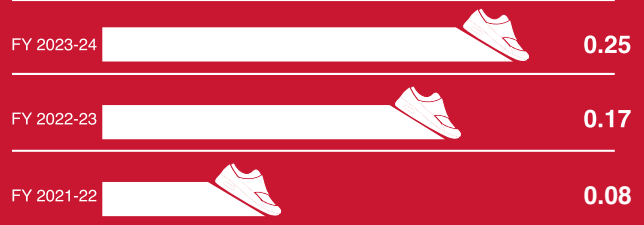
↑ Y-O-Y 36%

**Return on capital employed ( FY 2023-24 )** (%)



↓ Y-O-Y 318 bps

**Debt equity ratio ( FY 2023-24 )** (X)



# Corporate Information

## Board of Directors and Management

### Mr. Rashid Ahmed Mirza

Chairman

### Mr. Shuja Mirza

Managing Director

### Mr. Arvind Verma

Whole Time Director

### Ms. Sunanda

Whole Time Director

### Dr. Rajshree Saxena

Independent Director

### Mr. Subhash Chander Sapra

Independent Director

### Mr. Sanjay Bhalla

Independent Director

### Dr. Yashvir Singh

Independent Director

### CA Abhinav Jain

Chief Financial Officer

### CS Akhilendra Bahadur Singh

Company Secretary and Compliance Officer

## Statutory Auditors

Ashwani & Associates,  
Chartered Accountants

## Bankers

Citibank N.A.  
Federal Bank  
HDFC Bank

## Secretarial Auditor

Mallika & Co.  
Company Secretary

## Internal Auditor

M/s Surinder Mahajan  
Associates  
Chartered Accountants

## Registered Office

REDTAPE LIMITED

LIN: L74101UP2021PLC156659

Plot No. 08, Sector

90, Noida, Gautam

Buddha Nagar - 201301,

Uttar Pradesh

Email Id :

compliance@redtapeindia.com

## Works

C-4, 5, 36 & 37, Sector-59, Noida, Gautam Buddha  
Nagar - 201 301, Uttar Pradesh

Bulk Land, UPSIDC Industrial Area, Site-II, NH-27, Dist. Unnao,  
Uttar Pradesh - 209801

Plot No. 18-19, Nand Nagar Industrial Estate Phase-1,  
Mahuakheraganj, Kashipur, Udham Singh Nagar,  
Uttarakhand – 244713

Ganesh Complex, Gate 1, Amta - Ranihat Road, Mallik  
Bagan, Howrah- 711302, West Bengal (\*w.e.f June 12, 2024)

Shri Umiya Comm Complex, H.No. 1700, 2nd Floor, C Block,  
Gala No. 1/2, Survey No. 245/247, Old Agra Road, Kalher,  
Bhiwandi, Thane - 421302, Maharashtra (\*w.e.f. April 22, 2024)

Sri Venkateshwara, Sy. No. 23/AA6, Door No. 7-18  
& 7-18/1, Syed Guda Village, Chinagolkonda, Shamshabad  
Mandal, Rangareddy – 501218. Telangana

## Registrar and Transfer Agents

KFin Technologies Limited ;

CIN : L72400TG2017PLC117649

SEBI Regn. No. INR000000221

Selenium, Tower B, Plot No - 31 & 32, Financial District,  
Nanakramguda, Serilingampally, Rangareddi,  
Hyderabad - 5500032, Telangana

Telephone No : +91 4067162222, Facsimile No : +91 40 2343 1551

Investor Grievance Email : einward.ris@kfintech.com



**CHERISHING**  
**— TOP-NOTCH —**  
**QUALITY FOR**  
**EVERY BUDGET**  
**STYLE & WORTH**

**FASHION &**  
**LIFESTYLE**

# NEVER STEP BACK

**Acknowledging your success helps you stay motivated and makes you believe in the "never step back" philosophy.** Modern fashion statements and technology continue to be our main sources of success here.

Knowing your mission gives you the drive to keep going forward. We operate on the principle of the impossible, which encourages you to **step beyond your comfort zone and accomplish more than you ever would have imagined!**

**"Never step back" denotes a dedication to ongoing development and conquering obstacles**—those we previously 'believed we wouldn't encounter or what we may encounter because there are a million possibilities for the future which is where we thrive, beyond the numerous options and for the best! We have been progressing with the highest dedication to quality, growth, and excellence.



Our brand's primary attributes are **innovation, development, and futuristic design**, and we never waver from providing the highest caliber of service and dedication to every one of our customers. We have been offering our consumers the greatest shoes available worldwide by utilizing cutting-edge technologies and the best materials in our shoes.

Outside of your comfort zone is where growth occurs. We never back down from a challenge—never stepping back is an emotion. **Through an agile marketing approach and communication strategies in response to market shifts, we have accomplished the right market reach by reaching out to our consumer's insights and preferences.**

## KEEP MOVING AHEAD

## ABOUT US

REDTAPE is known for emerging as one of the finest footwear and clothing brands for men, women, and Kids. It has become a complete family fashion destination by providing the best international styles and world-class quality through shoes, apparel, and accessories for all age groups. Our athleisure & active-wear collection is designed with care for those who prioritize both style and performance. Our breathable fabrics and supportive footwear keep you comfortable during workouts, while also looking good enough to transition seamlessly into everyday wear. From yoga classes to weekend errands, REDTAPE lets you move with confidence and express your style.

**With the help of our design team's global inspiration, we have been concentrating on developing technologies. We have flourished and advanced, continually reaching new heights through the integration of innovative designs and technology.**

## WHAT GIVES US AN EDGE?

### **Our Integrated Multichannel**

**WE HAVE** embraced an Integrated Multichannel approach, seamlessly integrating online and offline touch points. We are across all the various online platforms, fostering a more connected and personalized experience.

### **Community Building**

**WE CATER** a loyal community of brand advocates and influencers fostering word-of-mouth marketing and brand advocacy. Engaging with consumers through social media, events, and gift voucher programs strengthens the brand's relationship with its audience.

### **Personalization**

**WE FOSTER** customizing marketing messages and product recommendations based on individual preferences, enhancing consumer engagement and loyalty. We have been providing individualized shopping experiences that are relevant to each customer by integrating customer feedback as an integral part of our strategy.

### **Innovation**

**WE BELIEVE** in continuously innovating our product design, technology integration, and customer experiences allowing the brand to stay ahead of competitors and capture consumer interest.



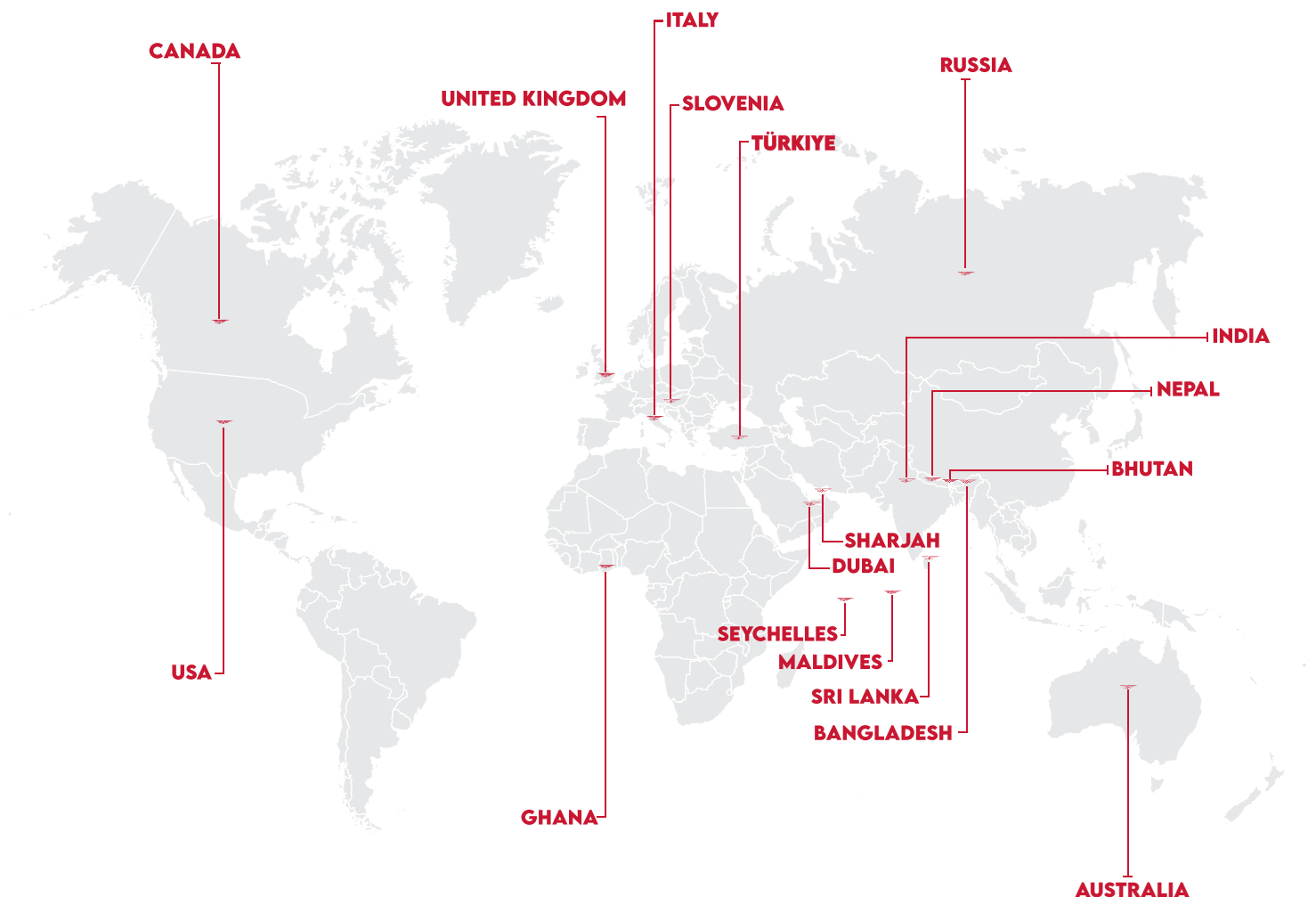
## GLOBAL PRESENCE

Our global presence spans across 18 countries, placing us among the top footwear brands leading the market. With a strong foothold in key markets like India, the UK, the US, Australia, Türkiye, UAE, France, Germany, West Asia, South Africa, and others, we have established ourselves as a prominent player.

In addition to our success in international markets, we have experienced remarkable growth in India, thanks to our multi-channel retail strategy. By focusing on digital infrastructure, we are expanding our reach and providing consumers with a seamless brand experience both in-store and online.

Driven by our passion for innovation and fashion, we have expanded into clothing and accessory segments in domestic and global markets. This expansion reflects our commitment to meeting the diverse needs of our customers.

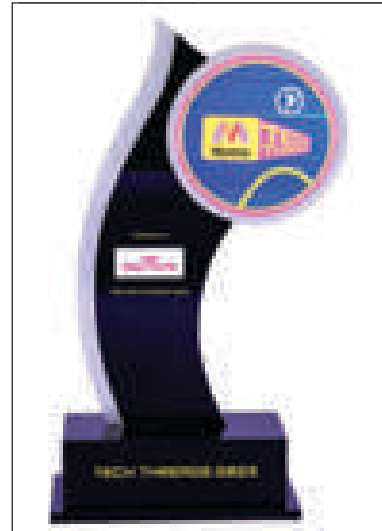
Our growth is not just about business success; it's also about responsibility. We integrate environmentally friendly practices into our operations to reduce waste, optimize resources, and minimize our impact on the planet.







Amazon's Prestigious STEP Premium Seller Award



Bestselling Men's Footwear on Myntra



Exemplary Flipkart Platinum Seller: Sales and Holistic Growth



Amazon's Premium Level for Exceptional Performance



Top Performer: Flipkart Sales in North Zone



Top Advertiser Achievement on Flipkart

# Celebrating Our Awards and Achievements

AWARDS DATE	AWARDS NAME
December 2023	Flipkart Top Advertiser
December 2023	Flipkart Top Flipstart Highest GMV in North Zone
November 2023	Myntra Tech Threads
September 2023	Platinum Seller Award Flipkart
June 2023	Amazon STEP Premium Seller
December 2022	Top Flipstar - Maximum GMV in the West Zone
November 2021	Zonal Top Flipstars from Flipkart
July 2021	Expert Advertisers from Flipkart
February 2021	Zonal Top Flipstars from Flipkart
November 2019	Best Men's Casual Footwear Brand ( Tech Threads 2019 ) from Myntra
November 2019	Gold in " Top Notch Seller " from Flipkart
November 2019	2nd Runner up in "APL go for Gold ( Advertiser Premier League 2019)" from Flipkart
November 2019	Platinum Partner Award from Paytm



**YOUR STYLE, YOUR STORY**

# BRAND PORTFOLIO



## MODE BY REDTAPE

MODE is a leading women's fashion brand from REDTAPE. Our brand offers a diverse range of footwear, apparel and accessories, ensuring every woman finds her perfect style statement. With a focus on class, trendiness and comfort, MODE's designs effortlessly merge feminine charm with modern sophistication. The brand has garnered praise and popularity among consumers, both online and offline.

A stunning collection of Ethnic Wear has captured the hearts of our female customers. Featuring a variety of colors, prints and designs, this collection is attractively priced to suit every style.



## BOND STREET

Bond Street by REDTAPE offers stylish and affordable footwear for men, making quality and fashion accessible to all. Aesthetically driven, the brand offers amazing patterns and colors crafted from durable and premium quality materials.

Tailored for young, fashion-forward, brand-conscious consumers, Bond Street represents a fashion revolution. It allows you to choose comfort and convenience without compromising on style or diverse designs, available both offline and online.

Bond Street aims to provide a seamless, memorable brand experience, igniting a high-fashion phenomenon that grows brighter with each passing year.





**FOCUSED ON THE  
PRESENT,  
WITH EYES SET ON THE  
FUTURE.**

# Empowering Your Style,

# Embracing Diversity, Inspiring Every Smile



## WHO ARE WE?

WE ARE a trusted leader in the Fashion & Lifestyle industry, with 27 years of experience, showcasing our commitment to accessibility and reach with 423 opulent stores PAN India.

WE ARE known for our integrated footwear manufacturing unit, ensuring precision and care in every pair of shoes, reflecting our commitment to quality as we expand to 18 countries, catering to a diverse global audience.

WE ARE a one-stop destination for fashion needs, offering a wide range of clothing and accessories for men, women and kids, delivering the latest international styles and world-class quality consistently.

WE ARE actively capturing both offline and online market spaces, reflecting our dynamic growth trajectory and shaping the world of fashion and lifestyle with a portfolio of well-recognized brands and a steadfast commitment to excellence.

We bridge the gap between global design and Indian streets, bringing the best of international fashion and technology to your doorstep like Dial Lace, Climate Control, ETPU ( Expanded Thermoplastic Polyurethanes ) Sole & Zero Tie. Our focus is on trends that reflect the vibrant personalities of millennials and Gen Z, ensuring that our products resonate with your unique style and preferences. We seamlessly blend traditional with modern, creating a fusion that celebrates heritage while embracing innovation.



# DIAL LACE

*Innovation in Motion*



PULL



PRESS



TURN



## OUR VISION

REDTAPE aims to be the leading fashion brand in India, seamlessly blending into the daily lives of every individual, thereby becoming the most preferred choice in the fashion category.

## OUR MISSION

To curate and deliver a diverse range of high-quality fashion products that resonate with the style and preferences of our customers. We strive to provide a seamless online shopping experience, backed by exceptional customer service, to become the go-to destination for all fashion needs in India.

## VALUES THAT DRIVE US

**Innovation:** We continuously push the boundaries of creativity, pioneering new ideas and solutions that set us apart.

**Adaptability:** We thrive in change, embracing challenges with flexibility and a readiness to evolve.

**Entrepreneurial Spirit:** We cultivate a culture of innovation, daring to explore uncharted territories and welcoming the unexpected.

**Optimism:** We approach every situation with a positive attitude, seeing challenges as opportunities for growth.

**Customer Focus:** We are committed to delivering exceptional value to our customers, prioritizing their needs and satisfaction above all else.

**Excellence:** We uphold the highest standards of integrity, ethics, and professionalism, striving for excellence in everything we do.







**SIMPLY PULL,  
PRESS AND TURN  
DIAL LACE: FUTURE  
OF LACING**

## FASHION FORWARD KIDS' APPAREL AND FOOTWEAR



## THE PILLARS OF SUCCESS

### **Breakthrough Technologies and Design -**

We have been advancing with the upgraded models since we debuted innovations in our footwear line in 2023–2024, including Expanded Thermoplastic Polyurethanes (ETPU) Sole (for additional cushioning), Zero Tie Technology, and Dial Lace Technology. Our apparel range now incorporates Climate Control Technology into its trendy summer wear collection. These designs are an integral part of our sales and marketing and have gathered the likes of people to bring out these innovations through global inspiration.

### **Multi-Channel Consistency-**

Across multiple channels, we maintain a consistent brand voice and experience, aligning digital and physical touchpoints to create a fluid customer journey that drives effective, measurable impacts.

### **Online and Offline Presence -**

**Seamless Online & Offline Experience:** We have been catering to a smooth transition between online shopping and physical stores.

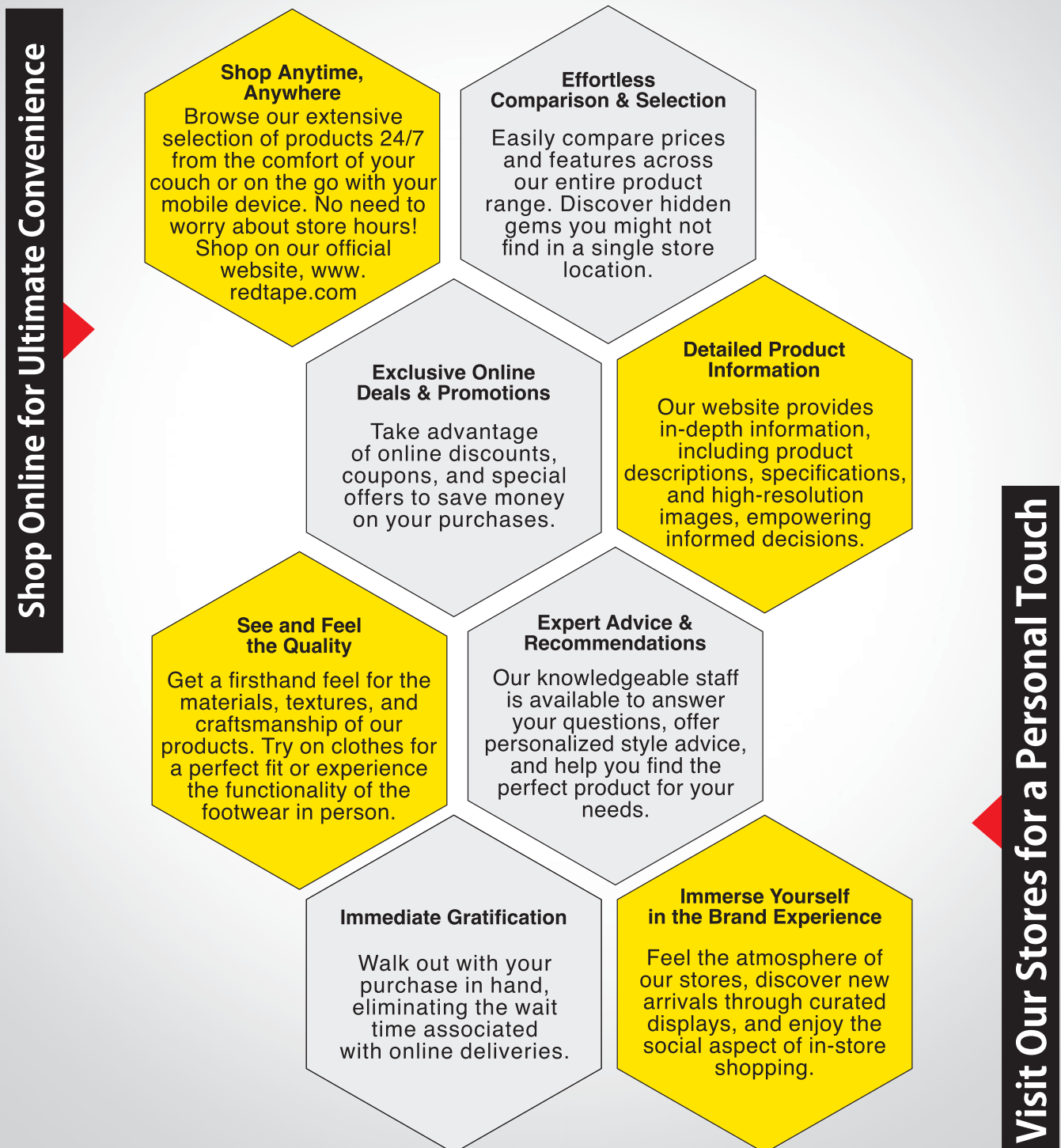
### **Cutting-edge creativity -**

With the ever-changing business landscape, we have been going along with the change and that is how we have been able to create a leading space for ourselves in this environment. Our growth has been there which has allowed us to carve out a prominent position for ourselves in this setting. We think that by utilizing contemporary technologies, we will be able to go beyond what we have previously achieved in terms of growth.



## THE BEST OF BOTH WORLDS: SHOPPING WITH US ONLINE AND OFFLINE

We understand that customers have different preferences when it comes to shopping. That's why we offer a seamless experience, whether you choose to shop online or visit us in-store. Here's a breakdown of the advantages you'll enjoy with each approach:



No matter how you choose to shop with us, you're guaranteed a positive experience. We offer the convenience and selection of online shopping alongside the personalized touch and immediate gratification of our physical stores. So, explore both options and discover the shopping experience that best suits your needs!

# HOW TECHNOLOGY IS REVOLUTIONIZING OUR PRODUCTS

## Dial Lace Technology: Future of the Lacing System

New generation technology introduced in shoes inspired our designers to incorporate the dial lace technology here. To put it simply, the shoe is composed of a dial mechanism with a knob that allows you to tighten or loosen your laces by rotating the knob. This structure has an advantage over conventional lacing systems, the laces may be tightened much further than typical laces, giving the impression that the shoes are virtually snug around the feet. Long-term benefits of this include increased lifespan of the shoes due to less strain on the uppers.

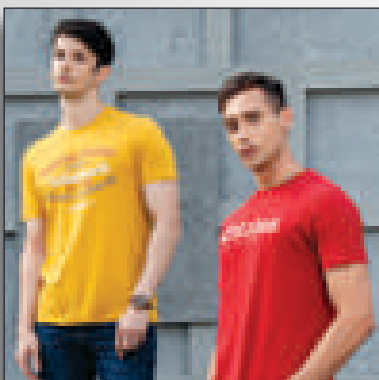


## Zero Tie Technology: Go hands-free, go hassle-free

With the help of Zero Tie Technology, you can tie your shoes without using your hands, using just your leg's weight to pull the laces tight. Put on your shoe, slide the heel to fasten it, and then step on the release buckle to unfasten the laces. Customers benefited greatly from the introduction of this technology into our shoes, and they also felt quite comfortable wearing them. Utilizing this technology thus made it appropriate for our continued growth.

## Expanded Thermoplastic Polyurethanes (ETPU) Sole: Cushioning Comfort

Another advancement for the comfort in shoes was the introduction of the ETPU sole which Provided extra cushioning and comfort. The components of ETPU sole material are that it has low density and is highly resilient. This means that it is mouldable and conforms better than other materials to the shape of the foot, making them extremely comfortable and lightweight. The use of this technology proved to be highly beneficial for us in the past year.



## Climate Control Technology

Our summer collection featured climate control technology for our trendy apparel range, and it was a great way to meet the wants and demands of our customers. A quick dry, anti-microbial clothing best suited for the warm summers.

## A MOVEMENT GAINS MOMENTUM

423  
Showrooms  
in India

Regularly  
increasing  
market share

A Rated  
by Crisil

Introduced  
innovative  
designs and  
technologies

Opened 1  
market place  
unit in  
Bhiwandi

46 %  
Growth in  
International  
sales

Established a  
strong footprint in  
the international  
market

Present in  
18 countries  
across globe

Global  
expansion of  
subsidiaries

Growing  
number of  
stores

Growing number  
of showrooms  
globally

Growth in the  
number of sales  
through  
E-commerce

# Unwavering Determination



# GROWTH TRAJECTORY

## Global Expansion

Our global footprint spans across 18 countries. We are listed among the top footwear brands leading the market. The brand has gained a strong foothold in niche markets in India, Australia, Bhutan, Canada, Bangladesh, Ghana, Italy, Maldives, Nepal, Dubai, Gulf Region(Saudi Arabia), Russia, Sri Lanka, Seychelles, Türkiye, the UK, Sharjah, Slovenia, and the USA.

## Domestic Expansion

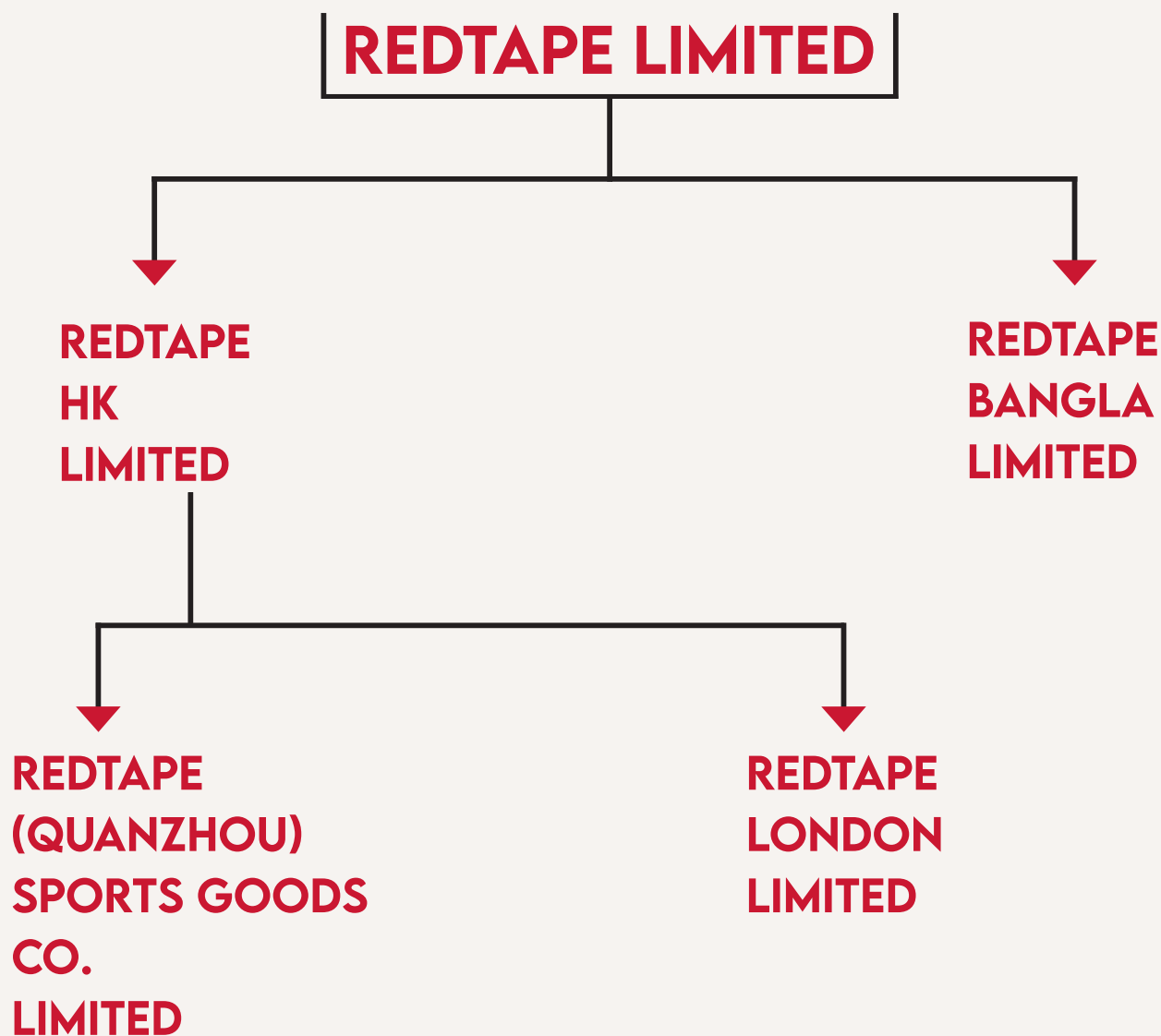
Our objective remains to increase our market share within the country by venturing into unexplored areas with significant growth prospects. We continuously modify our product offerings to local tastes and trends in response to customer needs, sometimes introducing new styles or materials, to connect with our customers. We currently operate (423) stores across India, and by the end of the year, we expect to expand.

## E-commerce Expansion

Establishing a robust online presence across all major e-commerce platforms has solidified our standing as the footwear industry leader. We have an international presence in the UK through eBay and Amazon, in Saudi Arabia through Noon, Amazon, Styli, and Namshi, in Bangladesh through Daraz, in Australia through Amazon, Catch, and Kogan, and in Turkey via Amazon. In addition, we'll maintain broadening our horizons and utilizing all of the channels at our disposal to direct our development and get insightful knowledge of customer preferences and purchasing patterns within the footwear industry.

The information thus produced can subsequently be utilized to improve inventory control, target marketing campaigns more precisely, and customize product offerings.

## OUR SUBSIDIARIES



We have two wholly-owned subsidiaries: REDTAPE HK Limited and REDTAPE Bangla Limited. REDTAPE Limited incorporates two Step-down subsidiaries: REDTAPE (Quanzhou) Sports Goods Co. Limited and REDTAPE London Limited. We intend to continue expanding in the near future.



# BUILDING A STRONGER GRIP: BRAND POSITIONING STRATEGIES

We can leverage our strengths to keep on building a stronger brand identity and position ourselves for continued future success. Here are some key strategies :

# BRAND BUILDING AND POSITIONING



### Highlighted Differentiators

We put emphasis on what distinguishes us. Our superior materials, exceptional craftsmanship, unique design aesthetics, and openness to new technological advancements have always been advantageous for us.

### Engaging Social Media Presence

We have been actively showcasing our products in real-world settings through user-generated content and influencer collaborations. We craft video content that tells the brand story, highlights product features, and showcases the designs.

### 360-degree Marketing Approach

We ensure a smooth and consistent customer experience across online and offline channels, creating a seamless customer journey and driving results. This includes easy online shopping, efficient returns, and knowledgeable staff in our stores.

### Embracing Social Responsibility

We ensure that we recognize the importance of social responsibility in today's society and incorporate it into our everyday business demands and expectations.

### Target Audience Re-evaluation

While catering to urban professionals, we make sure to gain knowledge and explore the potential for sub-brands targeting younger demographics or specific needs (e.g. activewear).

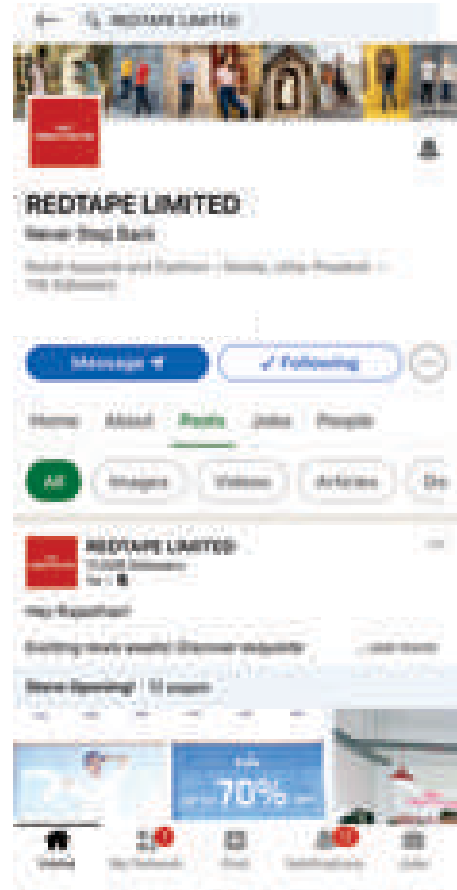
### Brand Values Refresh

Maintaining core values like quality, comfort & affordability, but keeping in mind aspects like innovation & sustainability to resonate with evolving consumer preferences.

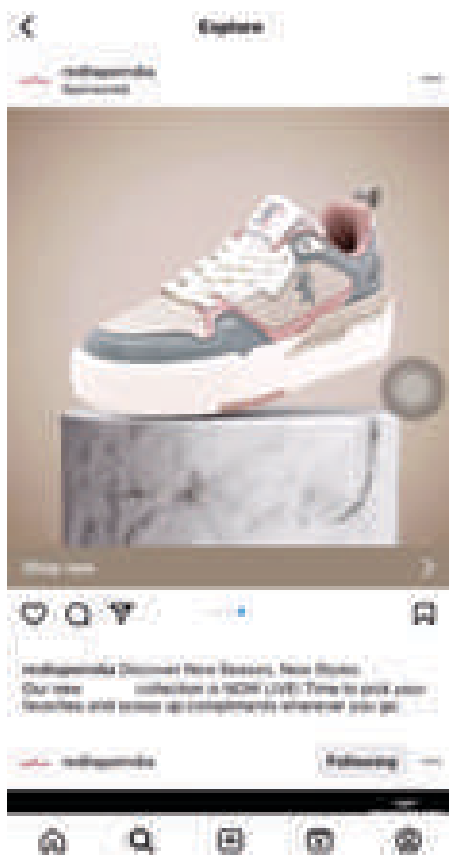
# DISCOVER OUR SOCIAL MEDIA PRESENCE



OUR INSTAGRAM PROFILE



OUR LINKEDIN PROFILE



OUR INSTAGRAM ADVERTISING CAMPAIGNS



EXPLORE OUR WEBSITE



## SEASONAL HOARDING DISPLAYS

## HOW ARE WE MAKING THE UTMOST USE OF ALL THE MARKETING PLATFORMS

**Influencer Marketing** - We have been collaborating with influencers to create engaging content that showcases our store visits, and our products in a natural and relatable way.

**Music Marketing** - We believe in building a community through music and we plan to accomplish it in the upcoming years and to work in collaboration with the music industry to showcase our products in a whole different spectrum.

**Out-of-Home Marketing (OOH)** - We have been utilizing strong visuals that showcase our products in a clear and impactful way for all of our outdoor campaigning. We have several hoardings displayed in all major cities and other locations where we can reach a larger audience with our intent. We consider high-quality close-ups of footwear, and models wearing our apparel range, and ensure the visuals and messaging reflect our motive completely thus making this OOH campaigning process result in a hit. We have our commercials running on screens near lifts and other areas in housing societies to maximize customer reach.

**Digital** - We strengthen our digital presence through a user-friendly website with smooth navigation and mobile optimization. Engaging content like blog posts and social media integration attracts customers. High-quality product information, a streamlined checkout process, and strategic promotions enhance the online shopping experience. Sharing messages through WhatsApp broadcasting and targeted campaigns can better connect with customers and drive sales.

**Print** - By emphasizing targeted placements, innovative visuals, and integration with our digital presence, we use print media to reach a specific audience, increase brand awareness, and drive customers online or to physical stores. We do promotional content in local newspapers (e.g. Dainik Jagran) to reach a wider set of audiences.

**Social Media** - Our team of professionals chosen particularly to administer our account and keep its growth following our goals uses social media rigorously and successfully. The usage of social media ads brings in a wider reach. We concentrate on maintaining a consistent publishing schedule across platforms such as Facebook, Instagram, YouTube, X & LinkedIn. On LinkedIn, we highlight our collaborations with various colleges and universities for their annual fests, where we have the opportunity to present our latest collection to prestigious gatherings, which attract a large number of enthusiastic students, promoting a culture that fosters synergy in all such prospects. We continue to share our new store-opening photographs on LinkedIn, producing and giving information to our online community.



## VARIOUS TYPES OF OFFERINGS WE HAVE

We offer a wide range of products catering to men, women, and children, across various options like apparel, footwear, and accessories. We have a diverse selection of apparel and footwear, and we firmly believe that no two people are alike. So, to adapt to all of our customers' moods, wants, and needs, we do our best to meet those goals as efficiently as possible. We have footwear for any mood, whether you're running, dancing, casual, on the street, or partying. When it comes to apparel, we offer everything from classics to trendy options to fit your style.



- **Focus on Comfort & Quality**

We are known for our focus on comfort and durability in our footwear and apparel.

- **Style Variations**

We offer a variety of styles, from formal and business casual to casual and trendy.

- **Innovating Technology**

We keep incorporating new technology into our products to promote growth and advancement.

- **Evolving Product Line**

We have been introducing new product categories or expanding existing ones based on market trends and customer preferences.



## HOW ARE WE OFFERING VALUE FOR MONEY TO OUR CUSTOMERS

Here's how we offer value for money to our customers

### Balancing Quality and Affordability

- **Durable Materials**

We use materials known for their longevity, ensuring customers get extended wear out of their apparel and footwear.

- **Competitive Pricing**

We position ourselves within a competitive price range, offering good value compared to similar brands in the market.

### Balancing Quality and Affordability

- **Comfortable Footwear**

We prioritize comfort in our shoe designs, ensuring customers can wear them throughout the day without sacrificing style.

- **Versatile Apparel**

Our apparel range offers a balance between style and practicality, suitable for various occasions and activities.

### Meeting Our Customer Needs

- **Wide Range of Products**

We cater to diverse needs with a variety of styles in both footwear and apparel. Customers can find something suitable for work, casual outings, or special occasions.

- **Regular Collections**

We introduce new collections regularly, ensuring customers have access to trendy styles without breaking the bank.

- **Focus on Value Perception**

We emphasize the "value for money" aspect through marketing and promotions, reinforcing the perception of affordability and quality.



## ESG ( ENVIRONMENTAL, SOCIAL AND GOVERNANCE )

We are dedicated to making a positive impact through sustainable practices, pledging to contribute to society in various ways. We prioritize our responsibility to society, ensuring we protect and nurture the environment consistently.



## PLANTATION

The inherent impact of our business on the environment necessitates our commitment to its preservation. We diligently undertake measures to mitigate this impact and ensure environmental protection. Recently, we launched an initiative to envelop our Unnao Unit 5, the factory premises, with a verdant landscape. To achieve this, we've planted a number of trees aimed at bolstering oxygen levels and fostering a clean, green environment. Given the escalating concerns of global warming and rising temperatures, we perceive this initiative as imperative. A vibrant green belt encircles the area. Recognizing the indispensable support our environment provides, it is incumbent upon us to reciprocate with our utmost efforts.



**BRANCHING OUT FOR A SUSTAINABLE TOMORROW**



**GREENING OUR FUTURE**



**UNNAO BLOOMS FROM ABOVE : A BIRD'S-EYE VIEW OF OUR TREE PLANTATION**



## **SOLAR PANEL**

Incorporating solar panels into a company's operations is a necessary step towards sustainability, especially in ours, where energy consumption can be significant. By harnessing solar energy in our factories, we have been reducing our reliance on non-renewable energy sources, lowering our carbon footprint, and contributing to mitigating climate change.

Solar panels generate electricity through photovoltaic cells, which convert sunlight into usable energy. This renewable energy source not only helps to power our manufacturing processes but also reduces greenhouse gas emissions associated with traditional energy generation methods like coal or natural gas. By adhering to these practices, we have the capability to significantly reduce carbon dioxide emissions, effectively making a substantial positive impact on the environment.



**MAXIMIZING SUNLIGHT CAPTURE : A TOP-DOWN LOOK AT OUR UNNAO SOLAR PANELS**

## **SEWAGE TREATMENT PLANT (STP)**

Implementing a sewage treatment plant is a step towards our commitment to environmental responsibility, especially in an industry like ours, as a manufacturer of footwear where wastewater contains various pollutants. By treating sewage before disposal, we significantly reduce its environmental impact by removing harmful substances and contaminants, ensuring that only clean water is released back into the environment.

This initiative not only helps in safeguarding local ecosystems but also aligns with our global sustainability goals. Furthermore, having a sewage treatment plant in place also ensures our compliance with environmental regulations. It is a proactive approach that not only benefits the environment but also the long-term sustainability of our business operations.



**IMPROVING ENVIRONMENTAL HEALTH : UNNAO'S SEWAGE TREATMENT PLANT**

## **MEDICAL FACILITIES**

We have a well-equipped medical facility on-site at our factory, staffed with a specialized doctor who is available at all times. In the event of an emergency, our medical department takes all necessary actions promptly. All required facilities are provided within the premises.



**ACCESS TO QUALITY HEALTHCARE : MEDICAL FACILITIES IN UNNAO**



### **ARUNODAYA CHARITABLE TRUST**

Arunodaya Charitable Trust, a leading eye care facility in Gurgaon, located in Sector 55 on Golf Course Road, is committed to serving the needy and presents a team of the best eye specialists in Gurgaon, with 30 years of experience. It provides unrivaled eye care and treatment options to restore health. Arunodaya Charitable Trust offers cutting-edge technologies for basic and advanced diagnostic tests and surgeries, providing high-quality care to all patients. They are pioneers in introducing new technologies for eye care.

We are dedicated to supporting this cause by consistent donations and putting up our best efforts to improve healthcare infrastructure, and we plan to continue this commitment going forward.

### **OTHER MEDICAL INITIATIVES**

Unnao has a charitable hospital that provides low-cost healthcare services. This facility ensures that doctors from various specialties, such as dental care, eye care, general medicine, orthopedics, and physiotherapy, are always available. Their services are affordable and easily accessible to all. Their primary goal is to provide high-quality healthcare services at a low cost while adhering to strict hygiene and cleaning standards. They also offer special discounts, such as 40% discount on pathology services and 20% discount on medication. We contribute significantly to this cause by giving our maximum support to the development of healthcare infrastructure, and we plan to continue these efforts in the times ahead.



### **VIDHYALAYA PRABANDH SAMITI**

We operate a school in Unnao dedicated to offering high-quality education to under privileged students. Our mission is to provide knowledge and education to every student, nurturing them to become future leaders. Currently, we have 141 students enrolled. All subjects are taught by experienced and highly qualified educators. To foster holistic development, we provide ample opportunities for extracurricular activities through spacious play areas. Ensuring the safety and security of our students, our school premises are equipped with hygienic amenities.

## Empowering the Future Workforce: NAPS

National Apprenticeship Promotion Scheme (NAPS) was launched on August 19, 2016, by the Government of India, to provide financial support to establishments undertaking the apprenticeship training required to be provided under the Apprentice Act, 1961.

At REDTAPE, we rigorously adhere to and implement the guidelines of the National Apprentice Promotion Scheme (NAPS). We actively engage in onboarding students and providing them with comprehensive training to prepare them for successful roles within our organization. We firmly believe that investing in today's youth is an investment in the future, as they will become the driving force of tomorrow's workforce.



For more details, visit [www.apprenticeship.gov.in](http://www.apprenticeship.gov.in)

**NAPS**

**National Apprenticeship Promotion Scheme (NAPS)**  
 scheme of Government of India to promote apprenticeship. Apprenticeship training consists of Basic Training and On-the-Job Training/Practical training at workplace in the industry. The main objective of the scheme is to promote apprenticeship training and to increase the engagement of apprentices.

**Animator | Roto artist | Printing Operator**

### FOR US-

- It is one of the most important modes of training in terms of quality of training, practical learning, and enhanced employability of candidates.
- It is the most promising skills delivery vehicle in the Industrial/training ecosystem of the country as it provides for structured and rigorous training in a real working environment which helps apprentices to acquire skills and adapt to the workplace.
- It gives apprentices a real chance to put acquired skills into practice and helps them gain confidence in a working environment.



**NAPS TRAINING PROGRAMS**

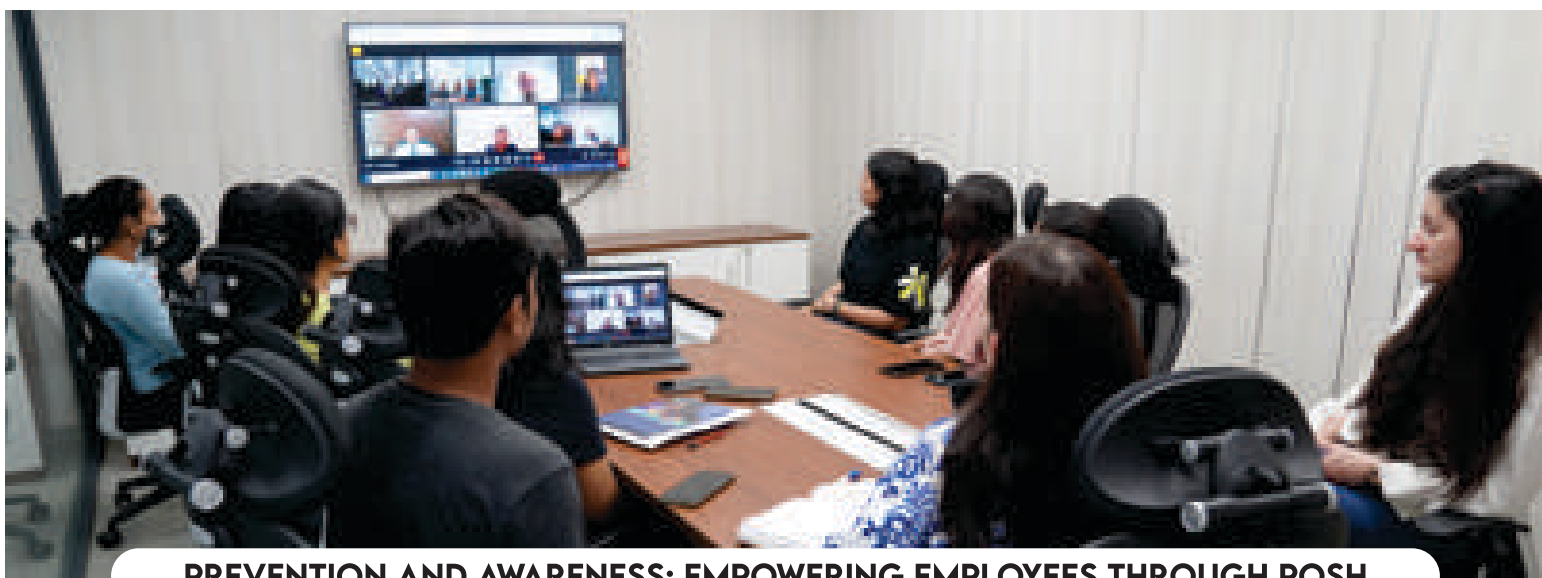
# The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is an important piece of legislation that seeks to protect women from sexual harassment in the workplace

At REDTAPE, the safety and security of our female employees are our topmost concern. We ensure that they feel comfortable and confident at all times. Regular POSH (Prevention of Sexual Harassment) training is provided to all female staff members, conducted every three months. We guarantee a safe and supportive work environment for all our employees. Our Internal Complaints Committee (ICC) is readily accessible to address any concerns. Employees experiencing any discomfort can reach out to the ICC members or contact us via email at [ic@redtape.com](mailto:ic@redtape.com).

The Central Internal Complaints Committee is been formed to address all issues under the POSH Act 2013, and **Ms. Farheen Zaidi** serves as the Presiding Officer/Chairperson. The committee is made up of six other members

Name	Designation
Ms. Farheen Zaidi	Presiding Officer/Chairperson
Ms. Shaloo Arora	Member
Ms. Poonam Jaiswal	Member
Mr. Farhatullah Khan	Member
Ms. Molu Gopalan	Member
Ms. Neha Gupta	External Member
Mr. Y K Gupta	External Member



**PREVENTION AND AWARENESS: EMPOWERING EMPLOYEES THROUGH POSH**

# Our Flag Our Pride



NATIONAL FLAG FLIES HIGH IN NOIDA OFFICE



UNNAO FACTORY SHINES WITH NATIONAL COLORS

The flag fluttering outside our building symbolizes more than just a piece of fabric; it embodies the profound values of respect, honor, and pride that define our nation. It stands tall against the wind, a steadfast reminder of the sacrifices made by those who have come before us to secure our freedom and shape our collective identity. The flag of our nation, proudly displayed outside our building, symbolizes honor and respect for our country. We are grateful and proud to be part of a nation that enables us to conduct our business with integrity. We firmly believe that our success today is due to the unwavering support of our nation.

It serves as a daily reminder of our dedication to contributing positively to our community and country. By integrating the flag into our workspace, we honor the rich heritage and collective aspirations it embodies, reinforcing our company's mission to operate with a sense of pride and responsibility. Every day, it reflects our unwavering commitment to excellence and our deep respect for the principles that guide us.

## Enhancing Work-Life Balance with Our Amenities

At REDTAPE, we understand the challenges of balancing work and family life. That's why we are proud to offer a creche facility for our employees. Our creche is not just a daycare; it's a nurturing environment where children can play and grow.



**Safety First:** Here, our creche is equipped with all the necessary safety measures to ensure a secure environment so that our employees can relax with the services available.

**Experienced Caregivers:** We have a team of experienced and caring staff members who are dedicated to providing the best possible care.

Our commitment to hygiene extends beyond just the food we serve. The canteen and vending machine areas are regularly cleaned and sanitized to ensure a safe and pleasant environment for our employees. We also adhere to strict food safety guidelines and regulations to maintain the highest standards of cleanliness and hygiene. To maintain the highest standards of hygiene, our canteen undergoes regular cleaning and sanitation.

Our canteen serves as a social hub where employees can relax and unwind during their breaks. The comfortable seating and welcoming ambiance creates a positive atmosphere that fosters camaraderie and teamwork among colleagues.



In addition to our canteen, we have vending machines conveniently located in our canteen area. These machines are stocked with a variety of snacks and beverages, providing employees with quick and easy access to refreshments. Whether it's a mid-morning snack or an afternoon pick-me-up, our vending machines have got you covered.

Our hygienic canteen and vending machines are an integral part of our commitment to employee well-being. We strive to provide a dining experience that not only nourishes the body but also uplifts the spirit, making REDTAPE a great place to work.



## GROWTH

### Successful Listing on BSE and NSE : A Landmark Achievement



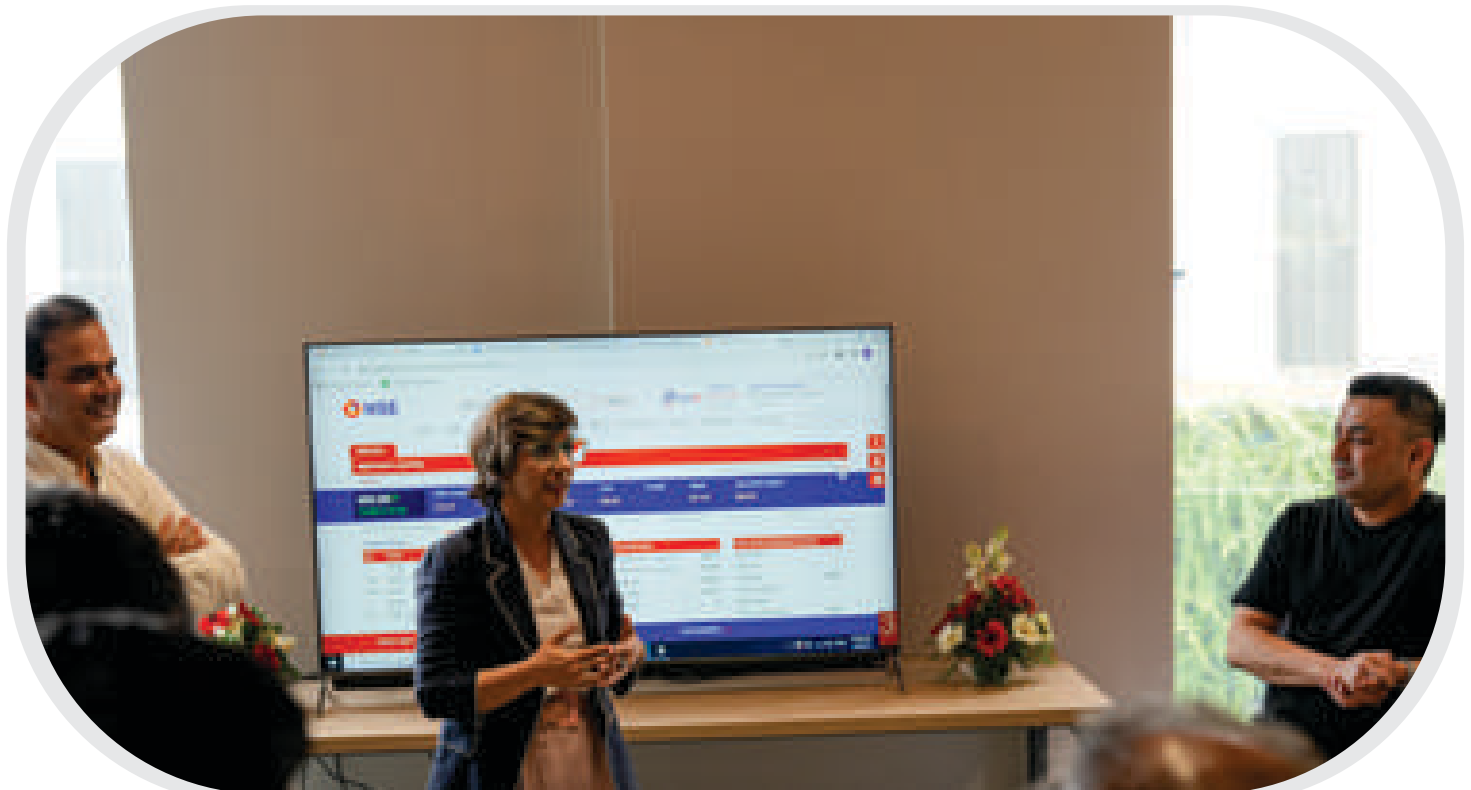
REDTAPE achieved a significant milestone by successfully listing on the BSE Limited and National Stock Exchange Limited (NSE) on 11th August, 2023. This listing marked a momentous occasion in REDTAPE'S journey, reflecting its growth and transformation in a brand that is not only a fashion favorite but also an attractive investment opportunity.



The listing ceremony was a celebratory event, filled with excitement and pride. It symbolized the commitment to delivering top-notch, innovative lifestyle fashion to a wider audience while offering investors the opportunity to be part of its journey.

By transitioning from the runway to the stock market, REDTAPE has demonstrated its ability to merge style with financial success. This listing is a testament to the ambition and vision, opening up new avenues for growth and expansion.

As the brand continues to evolve and expand its presence, the successful listing on BSE serves as a testament to its resilience, innovation and commitment to excellence. It marks the beginning of a new chapter in our journey, promising exciting opportunities for growth and success.



# Transforming Business Operations with SAP



AP S/4HANA Cloud Edition is a ready-to-run cloud ERP that delivers the latest industry best practices and continuous innovation. Run with industry best practices, by applying preconfigured processes that are ready to go. It helps one build one's own breakthroughs by reshaping business models and redefining work on the fly.

With SAP S/4HANA implementation at REDTAPE, the company's focus has evolved in optimizing processes, leveraging real-time data and improving overall business agility and data accuracy. With increased inclination towards optimizing business processes at REDTAPE, there will be significant increase in efficiency by allowing employees across various departments to accomplish more with fewer resources thereby reducing manual tasks that will help to maximize the workforce potential.

This will further help drive business growth and operational excellence along with deeper strategic insights, accelerated reporting, reduced risks, simplified IT, enhanced agility, bring proven best practices, security, compliances and scalability.



# Empowering Retail with

We are pleased to announce our partnership with ONDC Network (Open Network for Digital Commerce). We have experienced a significant increase in our product sales through ONDC Network, indicating a growing customer base. Our expansion is not only reflected in numbers but also in our technical capabilities. As we continue to evolve, we aspire to achieve substantial growth. Our dedication to retail excellence and customer satisfaction remains central to shaping our digital future for a better tomorrow.



## Our Presence on India's Leading E-commerce Platforms



As part of our strategic growth initiatives, we have established a strong presence on India's leading e-commerce platforms, including Flipkart, Amazon, Ajo and Myntra. This move allows us to offer our premium quality products to a wider audience, making it more convenient for customers to access our footwear, apparel and accessories from anywhere in the country.

Our collaboration with these e-commerce giants reflects our commitment to adapting to changing consumer behaviors and preferences. By embracing digital retailing, we aim to cater to the evolving needs of our customers and provide them with a seamless shopping experience, whether they prefer to shop online or in-store.



Through these platforms, we are able to showcase our latest collections, promote special offers and engage with customers in a more personalized manner. This digital presence complements our traditional retail channels and reinforces our position as a trusted and reliable brand in the fashion industry.

By embracing digital retailing, we demonstrate our agility and willingness to innovate, ensuring that we remain a frontrunner in the competitive fashion industry. As the online retail sector continues to grow, our strong presence on these platforms positions us well to cater to the evolving needs and preferences of our diverse customer base.



Moving forward, we will continue to leverage the power of e-commerce to reach new customers, strengthen our brand presence and drive growth in the competitive retail landscape.

As we continue to push boundaries and explore new avenues, our presence on India's leading e-commerce landscape stands as a testament to our unwavering dedication to excellence and our vision of becoming a household name in the digital age.



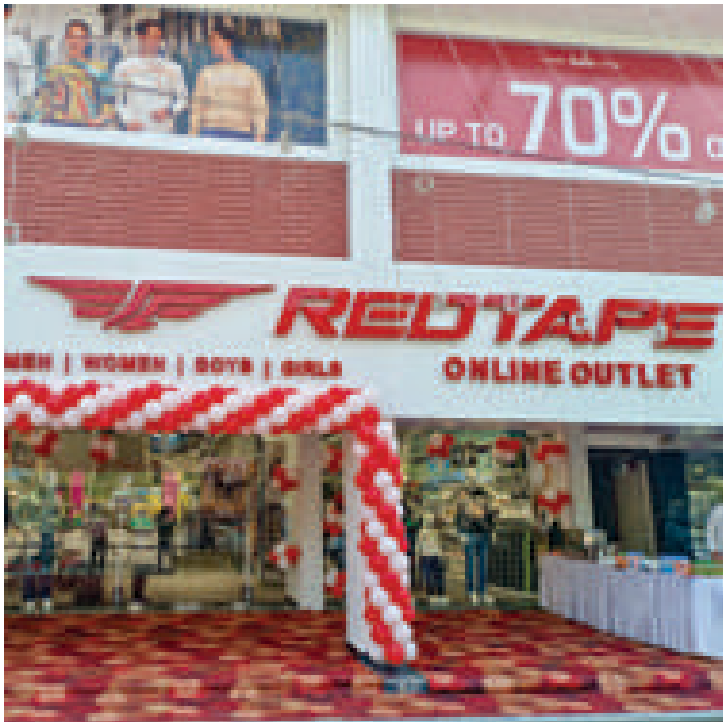
# Expansion of Store Operations Across Diverse Locations



 **HAPUR**



 **SIKANDRA, AGRA**



 **CHANDIGARH**



 **KHICHRIPUR, DELHI**

## Embarks on a Growth Journey New Stores Set to Open Nationwide

As we look ahead to the future, we are focused on expanding our footprint by opening more stores across the country.

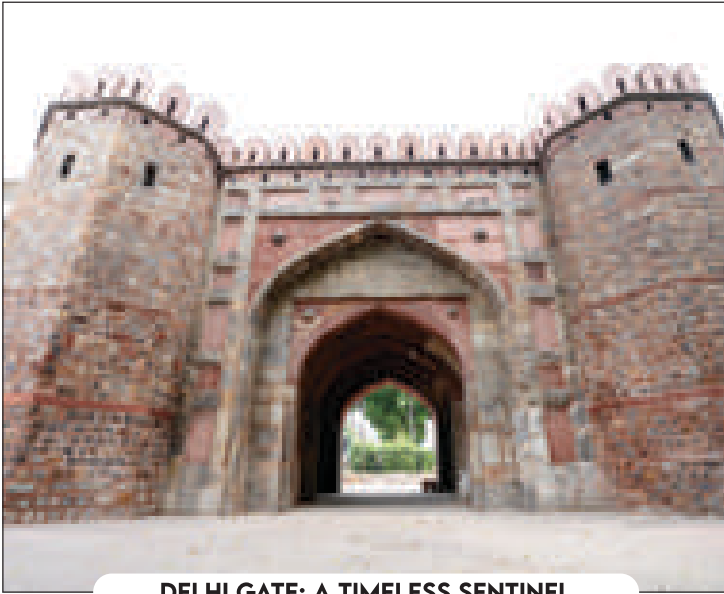
Our aim is to cater to the increasing demand for our products and to bring the experience closer to our customers. By opening new stores, we seek to not only enhance our brand presence but also to create more opportunities for customers to engage with our diverse range of offerings.

This expansion is not just about growing our business, it's also about creating more jobs, supporting local communities, and further solidifying our position as a leading fashion retailer. We are excited about this new chapter in our journey and are confident that it will bring us closer to our goal of providing fashion-forward individuals with access to stylish and affordable clothing and footwear.

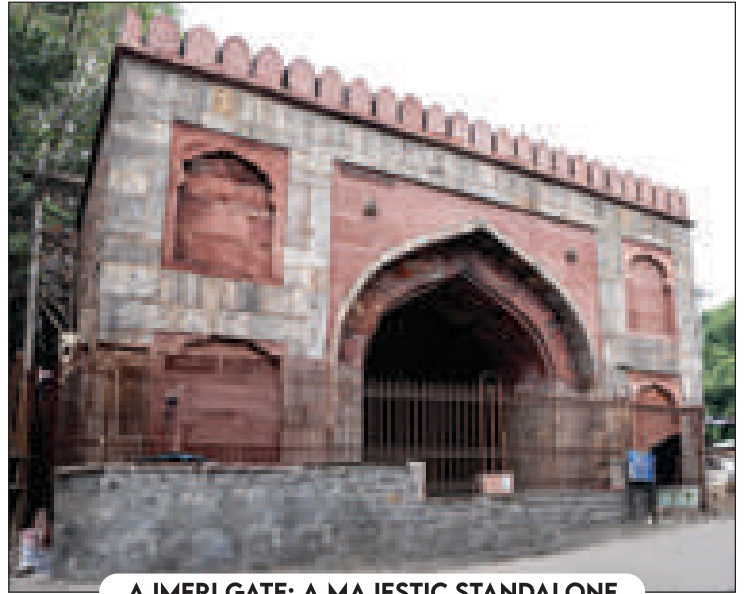


## OUR CONTRIBUTION TO HERITAGE PRESERVATION

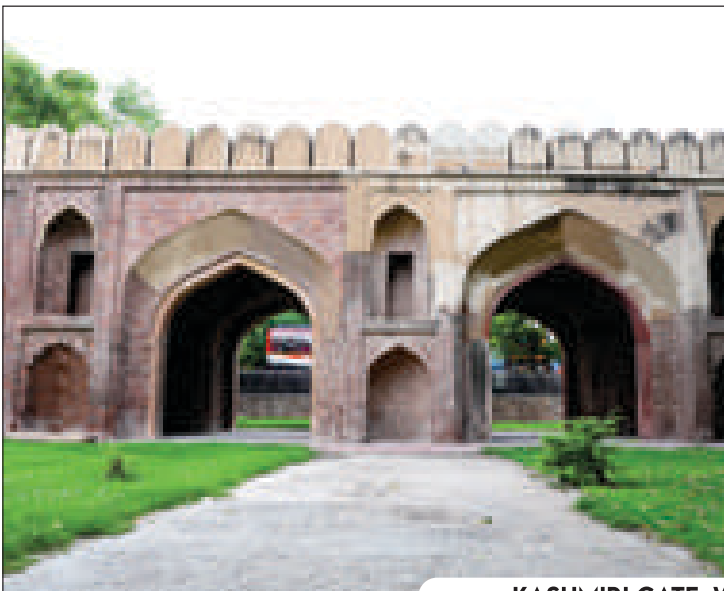
We at REDTAPE firmly believe that thriving requires giving back to our community. It gives us immense pleasure to acknowledge the information that REDTAPE Limited has become Smarak Sarathi (a partner who takes up all responsibilities to protect the monuments), under the scheme of Adopt Heritage from the Archaeological Survey of India (ASI). We have embarked on an initiative to revitalize these significant monuments: Delhi Gate, Mori Gate, and Kashmiri Gate. We have applied for Ajmeri Gate as well. These buildings are the living pride and ornaments of the nation and once shelter of many, now living cornered and dusted lives due to negligence. These historical monuments were part of the Gates of Shahjahanabad, they have stood for centuries, and they witnessed a lot, from the famous Sepoy Mutiny to the fight that took place between British forces and Indian rebels, and so on. Our monuments are like our country's ornaments, sadly left in a corner, dusty, and we want to bring them back into the spotlight that they deserve. This will allow the youth to recognize the importance of these precious monuments, which were the foundations of our civilization. Our growth is determined by how much we recognize and preserve our heritage. We need to rejuvenate and fortify these monuments to restore the long-lost connection and love we have for them. These gates are a symbol of sacrifice and martyrdom by our soldiers. With time the glory of these monuments has faded but we have taken the responsibility to beautify these monuments again. Preserving this cultural heritage is not only a duty but also a profound commitment to our nation.



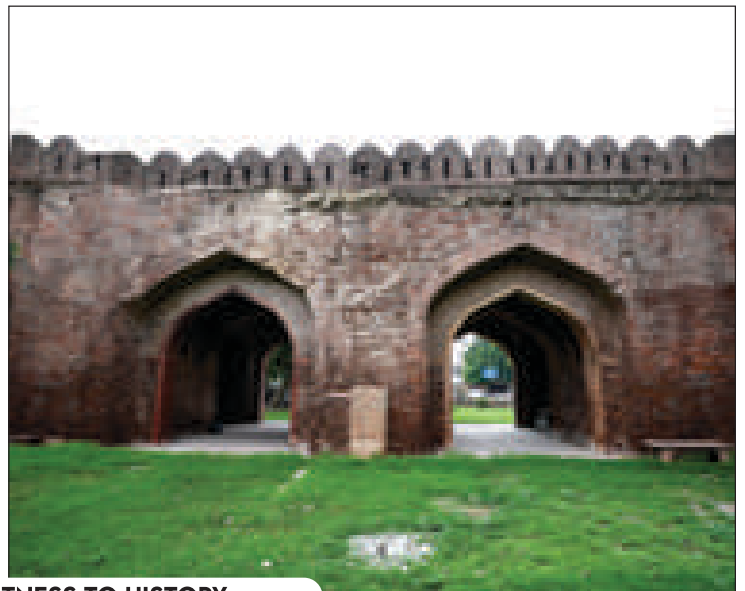
**DELHI GATE: A TIMELESS SENTINEL**



**AJMERI GATE: A MAJESTIC STANDALONE**



**KASHMIRI GATE: WITNESS TO HISTORY**



## REDTAPE'S Initiative Towards Development

The greatness of these buildings stems from their ability to connect us with our past, serving as tangible links to significant events, cultures, and human achievements. These monuments represent our ancestors' artistic, architectural, and cultural prowess, highlighting their creativity, skills, and ingenuity. These buildings are the living pride and ornaments of the nation, once sheltering many who are now living cornered and dusty lives as a result of negligence.

They are the symbol of resilience, the epic center of sacrifice; they are significant because they embody our shared human experience and contribute to our understanding of the world. Protecting and preserving them is critical for safeguarding our collective memory and ensuring that future generations can benefit from their lessons and beauty.

### **Some of the steps we plan to take to refurbish these monuments are as follows -**

- **Façade Illumination with RGB Lighting**
- **Crafting Visuals that Spark Patriotism**
- **Visualize Fortification of Shahjahanabad with AR ( Augmented reality ) Technology on the terrace**
- **Heritage Walks**
- **Monument Meeting Spot**
- **Experience the city and busy markets of Shahjahanabad**





## Diverse Range of REDTAPE Accessories

Our company has various products to love other than footwear and apparel, amongst which comes our premium accessories.

From classic staples to on-trend finds, our accessories allow you to showcase your unique style. Whether you prefer a timeless look or a touch of contemporary flair, we have something for everyone.

**Top it Off:** Sport a cool cap for a casual vibe, or choose a sophisticated one for a touch of elegance.

**Sharp Details:** Add a pop of color with a vibrant handkerchief, or keep it classic with a crisp white one.

**Foot Flair:** Show off your personality with patterned socks, or keep things simple with a selection of solid colors.

**The Perfect Fit:** Ensure a comfortable and polished look with a high-quality belt that complements your outfit.

**Organized Style:** Keep your essentials safe and easily accessible with a stylish and functional wallet.

### **SECURE YOUR STYLE**

Discover the Perfect Belt for Every Outfit!



## UPHOLDING QUALITY STANDARDS & INTERNATIONAL DESIGN INSPIRATIONS

In today's globalized world, customers seek products that are both innovative and reliable. This is where the powerful combination of upholding quality standards and drawing inspiration from international design trends comes into play.

### Upholding Quality Standards


**Building Trust:** Consistent quality builds trust with customers. By implementing rigorous quality control measures, we ensure our products meet performance and safety expectations, fostering customer loyalty.

### Durability and Longevity

High-quality materials and construction techniques lead to products that last longer. This reduces waste thus we help our community by following the same.

**NEVER  
STEP  
BACK**

**GO FURTHER, FASTER**



### International Design Inspirations

**Fresh Perspectives:** Looking beyond our borders exposes us to new design aesthetics, materials, and functionalities. This can spark innovation and lead to products that resonate with a wider audience. Thus, for a fresher perspective, our design team explores all the leading countries abroad and keeps in touch with new and upcoming technological advancements.

**Global Appeal:** By incorporating international design trends, we create products with a global appeal, opening doors to new markets and customer segments.

**Cultural Understanding:** Understanding design trends in different regions allows us to tailor our products to specific cultural preferences, fostering a sense of inclusivity. By upholding quality standards and embracing international design inspirations, we create products that are not only innovative and aesthetically pleasing but also reliable and long-lasting. This winning combination paves the way for our growth, customer satisfaction, and success in the global market.

# INDIAN ECONOMY WITH REFERENCE TO US

The Indian economy plays a significant role in the success of our footwear and apparel. Here's how:

## Positive Impacts

**Growing Middle Class:** India's growing middle class has a rising disposable income, leading to increased demand for branded footwear and apparel like the one we offer.

**Urbanization:** The rapid growth of urban areas creates a market for stylish and comfortable footwear and clothing, which aligns with our product range.

**Government Initiatives:** Government policies promoting domestic manufacturing (like Make in India) and growing demand for quality & consumer awareness benefit us by leveraging local production effectively.

## Our Strategies

**Product Diversification:** Expanding into new product categories has increased our customer base.

**360 Degree Retail Strategy:** Building a strong online presence alongside physical stores has allowed us to reach customers across the country and cater to changing shopping habits by understanding the Indian economy and its impact, we have developed strategies to navigate challenges and capitalize on opportunities. This ensures continued success in the dynamic Indian footwear and apparel market.



## GROWTH DRIVERS FOR US: RIDING THE WAVE OF THE POSITIVE INDIAN MARKET

We can leverage several positive market factors and internal growth drivers to achieve success in the dynamic Indian fashion industry. Here's a breakdown of the key elements:

### Favourable Market Factors

- India's burgeoning middle class has a growing disposable income. This translates into a rise in demand for branded and quality footwear and apparel, which aligns perfectly with our offerings.
- The rapid growth of urban areas creates a market for stylish and comfortable clothing and footwear. Our product range caters to this urban consumer seeking a blend of fashion and functionality.
- The flourishing Indian e-commerce market provides a vast platform for us to reach a wider customer base.



Friendly Faces & Helpful Hands: Our Store Teams

### Our Internal Growth Drivers

- Expanding into new product categories beyond core footwear and apparel has attracted a wider audience.
- A strong online presence alongside well-established physical stores creates a seamless shopping experience. This allows us to cater to online-savvy customers and those who prefer traditional brick-and-mortar stores. We are available on a variety of online sites, including Amazon, Myntra, Flipkart, Ajio, Tata Cliq, and Nykaa Fashion, or you may contact us directly at [www.redtape.com](http://www.redtape.com).
- Staying ahead of the curve by incorporating new design trends, materials, and technologies keeps our product offerings fresh and exciting for customers.



Discover Footwear Excellence: Explore Our Impressive Shoe Selection!

### Other Factors

- We can work on our brand building by emphasizing its commitment to quality, comfort, and modern and traditional design aesthetics.
- Effective marketing campaigns that resonate with the target audience and strategies to build customer loyalty can be crucial for sustained growth. By capitalizing on these positive market factors and implementing strategic internal growth drivers, we can navigate the competitive Indian fashion landscape.



Leading the Way in Fashion Forward Thinking

## REDTAPE: WEAVING CUSTOMER FEEDBACK INTO THE FABRIC OF SUCCESS

In today's competitive fashion industry, understanding and responding to customer feedback is no longer optional; it's an essential thread woven into the fabric of a successful brand strategy.

### Benefits of Customer Feedback

- **Improved Products:** Customer feedback highlights areas for improvement in design, comfort, functionality, and durability. This allows us to refine existing products and develop new ones that better meet customer needs and expectations.
- **Enhanced Brand Image:** Actively seeking and responding to feedback demonstrates our commitment to customer satisfaction. This fosters trust and loyalty, leading to positive brand perception.
- **Identifying Trends:** Customer feedback reveals emerging trends in styles, materials, and preferences. By staying ahead of the curve, we ensure our products remain relevant and appealing to our target audience.
- **Prioritization:** Customer feedback helps us prioritize resources and development efforts. By focusing on areas of greatest customer concern, we maximize the impact of our strategies.



### Effective Customer Feedback Strategies

- **Multiple Channels:** Creating opportunities for customers to provide feedback through surveys, social media platforms, and review sections on e-commerce websites.
- **Active Listening:** We don't just collect the feedback, but actively listen and analyze it to identify key themes and recurring issues.
- **Transparency and Communication:** Communication is the key! We communicate how we are using our customer feedback to improve products and services. This demonstrates responsiveness and builds trust.
- **Continuous Improvement:** Make customer feedback an ongoing process, not a one-time event. Regularly incorporate learnings into product development and marketing strategies.



### Building a Customer-Centric Culture

- **Empowering Employees:** Training employees to value customer feedback and empowering them to address customer concerns effectively.
- **Building Relationships:** Using customer feedback as an opportunity to build stronger relationships with our audience. Responding to feedback promptly and professionally demonstrates that we value inputs. By prioritizing customer feedback and building a customer-centric culture, we not only improve our products and services but also foster brand loyalty and achieve sustainable growth in the ever-evolving Indian fashion industry.



# Directors' Report

To,  
The Members of  
**REDTAPE LIMITED**

Dear Members,

Your Directors with immense pleasure present their 3<sup>rd</sup> **Annual Report** of REDTAPE Limited ("Company") on the business and operations together with the Audited Financial Statements of the Company for the financial year ended March 31, 2024.

The Key highlights of Financial Performance of the Company for the year along with previous year figures are as follows.

## FINANCIAL HIGHLIGHTS

The Audited Financial Statements of the Company as on 31<sup>st</sup> March, 2024, are prepared in accordance with the relevant applicable Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013. The Company's Standalone and Consolidated financial performance for the year ended March 31, 2024, is summarized below:

(₹ in Lakh)

Particulars	Standalone result		Consolidated result	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income	184464	146533	185597	147483
Total Expenditure	161735	128421	161973	128573
Profit/(Loss) before tax	22729	18112	23624	18910
Tax Expense	5749	4505	6000	4695
Profit/(Loss) after tax	16980	13607	17624	14215
Paid-up Share Capital	2765	2765	2765	2765
Reserves and Surplus	60453	43847	62079	44911

## PERFORMANCE HIGHLIGHTS

On consolidated basis, the revenue from operations for FY2024 is ₹184292 lakhs against ₹146831 lakh in the previous year. The Profit after tax is ₹17624 lakhs against Profit of ₹14215 lakh during the previous year.

On a Standalone basis, the revenue from operations for FY2024 is ₹183187 lakh against ₹145882 lakh in the previous year. The profit after tax is ₹16980 lakh against ₹13607 lakh during the previous year.

Your Directors are putting in their best efforts for the growth of the top line and bottom-line of the Company.

## BUSINESS OVERVIEW AND STATE OF AFFAIRS

Detailed information on the Company's affairs is provided in the report on Management Discussion and Analysis, which forms part of this Annual Report.

## MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR 2023-24

The Board of Directors of the Company, in its meeting held on December 10, 2021, had approved a Composite

Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited, REDTAPE Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with section 66 of the Companies Act 2013 and other applicable provisions, if any (hereinafter referred to as "**the Scheme**").

The Scheme, inter-alia, provided for (a) Amalgamation of RTS Fashions Private Limited with Mirza International Limited; and (b) De-merger of Branded Business/ REDTAPE Business of Mirza International Limited into REDTAPE Limited.

The Scheme was duly sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") by way of an order dated February 21, 2023 ("Order") certified copy of which order was issued on February 24, 2023. Pursuant to the Scheme the Branded Business/ REDTAPE Business of Mirza International Limited was demerged into the Company w.e.f. February 25, 2023. The Equity shares of your Company got listed with BSE Limited and National Stock Exchange of India w.e.f. August 11, 2023, resulting in the change of status of the Company from unlisted Company to listed Company.

### Material Changes and Commitments affecting the Financial Position

There are no material changes and commitments affecting the financial position of the Company between the end of the FY 2023-2024 and the date of this report. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR;

During the year under review, there is no such Company which has ceased to become a subsidiary Company.

### DIVIDEND

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend being recommended for the Financial Year 2023-24. .

### DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") (as amended from time to time), the Company has Dividend Distribution Policy in place which can be accessed on the website of the Company at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Dividend-Distribution-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Dividend-Distribution-Policy.pdf).

### TRANSFER TO RESERVES

The Board of the Directors has decided to retain the entire amount of profit for the Financial Year 2023-24, in the statement of profit & loss.

### CHANGE IN NATURE OF BUSINESS OF THE COMPANY

There has been no change in the nature of business of the Company.

### SHARE CAPITAL

There were no changes in the share capital of the Company during the year under review.

Authorized share capital of the Company is ₹30,02,00,000 divided into 13,82,01,900 Equity Shares of ₹2 each and 50,000, 9% Compulsorily Redeemable Preference Shares Preference shares of ₹2 each aggregating of ₹1,00,000.

The paid-up share capital of the Company as on 31<sup>st</sup> March 2024 is as follows:

Particulars	No. of shares	Face value
Equity Share	13,82,01,900	₹2 each
9% Compulsorily Redeemable Preference Shares	50,000	₹2 each

### ANNUAL RETURN

In accordance with the provisions of Section 92(3) read with section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an annual return in the prescribed format for the financial year 2023-24 is available on the website of the Company at [https://about.redtape.com/assets/investor-pdf/annual\\_return/Draft-Annual-Return-23-24.pdf](https://about.redtape.com/assets/investor-pdf/annual_return/Draft-Annual-Return-23-24.pdf)

### NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2023-24, 8 (Eight) Board meetings were held and the details of same are given in the Corporate Governance Report forming part of this Annual Report. The intervening gap between consecutive meetings was not more than one hundred and twenty (120) days as prescribed by the Companies Act, 2013 and applicable provisions.

### DEPOSIT

During the year under review, the Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of Section 135 of the Companies Act, 2013 are applicable to the Company for the financial year 2023-24. Thus, requirements for the Annual Report on CSR activities is applicable to the Company for the year 2023-24.

The Board of Directors of your Company had constituted Corporate Social Responsibility (CSR) Committee on April 07, 2023. The CSR Committee comprises of Mr. Shuja Mirza – Managing Director as Chairman, Mr. Arvind Verma – Whole Time Director, Dr. Yashvir Singh - Independent Director and Dr. Rajshree Saxena - Independent Director as members.

The terms of reference of the Corporate Social Responsibility (CSR) Committee is provided in the Corporate Governance Report. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/CSR\\_Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/CSR_Policy.pdf) .

### Initiatives taken by the Company during the Year are as follows:

Members may take note that to strengthen & protect the rich cultural heritage of our nation, Company has Adopted a Heritage Scheme 2.0, a scheme of Ministry of Culture of Government of India. Under this scheme, our Company has shown willingness to adopt monuments as approved by Archeological Scheme of India (ASI) via. Sabhyata Foundation, a company incorporated under Section 8 of Companies Act, 2013

Our company has shown keen interest and have already taken necessary steps for adoption of heritages i.e. Mori Gate, Kashmiri Gate & Ajmeri Gate (images as attached here for your reference). Also, other initiative has been taken relating to Skill Development & medical treatment facility to the needy person etc. For complete details with visuals, refer separate sections of CSR & Adopt Heritage of the Annual Report. CSR activities are provided in Annexure V to this report.

### DIRECTORS

During the financial year 2023-24, following were the changes in the Board of Directors of the Company:

1. The Board of Directors in its meeting held on July 17, 2023 had approved appointment of Ms. Sunanda (DIN: 10243709) as Whole time Director of the Company w.e.f. August 1, 2023 for a term of three (3) years.;
2. The Board of Directors in its meeting held on July 17, 2023 took note and accepted the resignation of Mr. Narendra Prasad Upadhyaya (DIN: 00049196) as Whole time Director from the Board of the Company w.e.f. August 31, 2023.
3. The Board of Directors in its meeting held on September 01, 2023 and the members in their meeting held on September 30, 2023 had approved the appointment of Mr. Rashid Ahmed Mirza as Whole-Time Director designated as Executive Chairman of the Company for a term of five (5) years w.e.f. 1<sup>st</sup> September, 2023 subject to the approval of Central Government.

Central government had approved the appointment of Mr. Rashid Ahmed Mirza as Whole-Time Director of the Company via SRN number AA5987845/CL-VII dated 26<sup>th</sup> February, 2024

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Shuja Mirza (DIN: 01453110), Director of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

### INDEPENDENT DIRECTORS

Your Company is having ideal composition of Independent Directors to steer the Company at the path of growth with approach of integrity and transparency, in term of Section 149 of the Companies Act & SEBI, Dr. Yashvir Singh (DIN 00049360), Mr. Subhash Chander Spara (DIN: 00049243) & Mrs. Rajshree Saxena (DIN: 09784592), were appointed as Independent Director of the Company on April 07, 2023, whereas Mr. Sanjay Bhalla was appointed as Non-Executive Director on December 10, 2021 designated as Independent Director on April 07, 2023. A brief profile of all Independent Director is given at the start of the Annual Report under the heading "Leading the way to success".

The Board of Directors has received declarations from all the Independent Directors of the Company appointed during the financial year 2023-24 confirming that they meet with criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations. The Board is of the opinion that they are people of integrity and possess relevant expertise and experience.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.



## KEY MANAGERIAL PERSONNEL

In terms of the provisions of section 2(51) and 203 of the Companies Act, 2013, during the financial year 2023-24, the Company has following whole-time Key Managerial Personnel (“KMP”):

S. No.	Name of KMP*	Designation	Date of Appointment	Date of Cessation
1.	Mr. Rashid Ahmed Mirza	Chairperson & Whole-Time Director	01.09.2023	Continuing
2.	Mr. Shuja Mirza	Managing Director	22-03-2023	Continuing
3.	Mr. Narendra Prasad Upadhyaya	Whole time Director	22-03-2023	31-08-2023
4.	Mr. Arvind Verma	Whole time Director	22-03-2023	Continuing
5.	Ms. Sunanda	Whole time Director	01-08-2023	Continuing
6.	Mr. Abhinav Jain	Chief Financial Officer	22-03-2023	Continuing
7.	Ms. Nandita Singh	Company Secretary & Compliance Officer	22-03-2023	17-07-2023
8.	Mr. Nand Kishore Sharma	Company Secretary & Compliance Officer	22-07-2023	01-09-2023
9.	Ms. Sakshi Mehta	Company Secretary & Compliance Officer	01-09-2023	07-10-2023
10.	Mr. Akhilendra Bahadur Singh	Company Secretary & Compliance Officer	08-12-2023	Continuing

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 134(3)(g) of the Companies Act, 2013 during the year under review the Company has not given any loan or guarantee or provided any security in connection with loan covered under the provisions of Section 186 of the Companies Act, 2013.

Further the details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are as below:

Sl No	Name of the Body Corporate	Amount of Investment
1.	REDTAPE Bangla Limited*	₹4096724
2.	REDTAPE HK Limited	₹109400

\*Name of Mirza Bangla Limited has been changed to REDTAPE Bangla Limited (w.e.f. 12<sup>th</sup> November, 2023).

## REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company has four (4) subsidiary companies namely:

Name of the Company	Relation with REDTAPE Limited
REDTAPE Bangla Limited (Bangladesh)	Subsidiary Company
REDTAPE HK Limited	Subsidiary Company
REDTAPE Limited (based in England and Wales)	Step down subsidiary - Subsidiary of REDTAPE HK Limited
REDTAPE (Quanzhou) Sports Goods Co. Limited (Based in China)	Step down subsidiary - Subsidiary of REDTAPE HK Limited

REDTAPE (Quanzhou) Sports Goods Co. Limited (Based in China) incorporated on 29<sup>th</sup> February, 2024

There was no other subsidiary, joint venture or associates' company during the financial year 2023-24.

In accordance with section 129(3) of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiary company form part of the Annual Report. Further, a statement containing performance and salient features of the financial statements

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at [www.redtape.com](http://www.redtape.com).

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

During the year the Company had not entered into any contract / arrangement/ transaction with related parties which could be considered material for which shareholders' approval is required in accordance with provisions of the Companies Act, 2013.

All contracts/ arrangements entered with Related Parties in terms of Section 188 of the Companies Act, 2013 were in the ordinary course of business and on an arm's Length basis. Thus, disclosure in Form AOC-2 in terms of Section 134 of Companies Act, 2013 is not required, (refer Annexure -I).

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Related-Party-Transaction-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Related-Party-Transaction-Policy.pdf)

## HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The human resources development function of the Company is guided by a strong set of values and policies. Your Company strives to provide the best work environment with ample opportunities to grow and explore. Your Company maintains a work environment that is free from physical, verbal and sexual harassment. The details of initiatives taken by the Company for development of human resources are given in Management Discussion and Analysis Report. The Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under review.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under section 134(3)(m) of the Companies Act, 2013, read with rule 8(3) of Companies (Accounts) Rules, 2014 is given in Annexure-II to this Report

## PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-III to this Report.

The Statement containing the particulars of top 10 employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules (if any), is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Companies Act, 2013, the said annexure is open for inspection at the registered office of the Company during the working hours for a period of twenty-one days before the date of the AGM & also, member interested in obtaining a copy, in advance of the same, may write specific to the Company.

## FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through presentations about the Company's strategy, business model, product and service offerings, customers' & shareholders' profile, financial details, human resources, technology, facilities, internal controls and risk management, their roles, rights and responsibilities in the Company. The Board is also periodically briefed on the

various changes, if any, in the regulations governing the conduct of Independent Directors. Also, refer report on the Corporate Governance for further information. The details of the familiarization programs have been hosted on the website of the Company, at web-link .i.e. <https://about.redtape.com/assets/investor-pdf/odur46/Details-of-Familiarisation-Program-for-FY-2023-24.pdf> .

## STATUTORY AUDITORS

As per section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company in Second Annual General Meeting held on 30<sup>th</sup> September, 2023 approved the appointment of M/s Ashwani & Associates, Chartered Accountants, (Firm Registration No. 000497N), as Statutory Auditors of the Company for a term of 5 (five) consecutive years, commencing from conclusion of 2<sup>nd</sup> AGM till conclusion of 7<sup>th</sup> AGM of the Company.

In terms of the provisions of the Companies Act, 2013 and Listing Regulations, every listed entity has to ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself/herself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

## DETAILS REGARDING FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE ACT

During the year Financial Year 2023-24, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

## COST AUDITOR

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records have been prepared and maintained by the Company for the financial year 2023-24. The Board of Directors has appointed Mr. A.K. Srivastava, Cost Accountant (Membership No. 10467 & FRN : 100090) as Cost Auditor to conduct the audit of cost records of the Company for the financial year 2024-25.

During the Financial Year 2023-24, the Auditors have not reported any qualification, reservations & adverse remark.

### SECRETARIAL AUDITOR

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. Mallika & Co., Company Secretaries as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2024.

The Report given by the Secretarial Auditor is annexed herewith as Annexure - IV and forms an integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their report.

During the Financial Year 2023-24, the Auditors have not reported any qualification, reservations & adverse remark. .

As the Company has submitted the Annual Secretarial Compliance Report, pursuant to the provisions of Regulation 24A of the SEBI (LODR) Regulations read with SEBI Circulars issued in this regard to the Stock Exchanges i.e. NSE & BSE for the FY 2023-24. In this report also there are no qualification, reservations & adverse remark.

### COMMITTEES OF THE BOARD OF DIRECTORS

As on date of report, the Board of Directors has constituted the following committees, in terms of the provisions of the Companies Act, 2013 and rules made thereunder and the SEBI (LODR) Regulations:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Corporate Affairs Committee

Details of terms of reference, composition of the Committees, and the number of meetings held and attendance of various members at such meetings etc., are provided in the Corporate Governance Report, which forms part of this Report.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Nomination and Remuneration Committee recommended to the Board of Directors, a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a director and other matters. The said policy as approved by the Board of Directors on May 30, 2023, is uploaded on the Company's website at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Nomination-and-Remuneration-](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Nomination-and-Remuneration-Policy.pdf)

Policy.pdf

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI LODR, Management Discussion and Analysis Report, for the year under review, is presented in a separate section forming part of this Annual Report.

### PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEE AND DIRECTORS

The Nomination & Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board committee(s), as well as performance of each director(s) and confirms that the existing evaluation parameters are in compliance with the requirements as per SEBI guidance note dated January 5, 2017 on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors'/ members' participation, governance, independence, quality and content of agenda papers, team work, frequency of meetings, discussions at meetings, corporate culture, contribution and management of conflict of interest. The performance evaluation of the Board as a whole and its committees, namely, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, as well as the performance of each director individually was carried out by the entire Board of Directors. The performance evaluation of the Non-Independent Directors and the Board of Directors, as a whole was carried out by the Independent Directors in their meeting held on January 24, 2024. The Directors expressed their satisfaction with the evaluation process.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS

No significant and material orders were passed by the regulators or courts or tribunals, impacting the going concern status and Company's operations in future.

### CREDIT RATINGS

During the year under review, the Company has obtained credit rating. For brief details of credit ratings refer Report on Corporate Governance.

### CORPORATE GOVERNANCE

A report on Corporate Governance practices followed by the Company is provided in a separate section and forms an integral part of this report. The Company is required to prepare the Corporate Governance Report for the Financial Year 2023-24, therefore please refer the the Corporate Governance Report is annexed in this Annual Report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Your Company realizes the importance of being transparent and accountable as an organization, which in turn, helps in strengthening the trust that stakeholders' have placed in the Company. We consider disclosure practice as a strong tool to share strategic developments, business performance and the overall value generated for various stakeholder groups over a period of time. In compliance with Regulation 34 of Listing Regulations, the Business Responsibility and Sustainability Report ("BRSR") is annexed as this provided in this Annual Report.

### NODAL OFFICER

Mr. Akhilendra Bahadur Singh, Company Secretary and Compliance Officer of the Company has been appointed as Nodal Officer as per the provisions of IEPF. The details of the same can be accessed on the Company's website at <https://about.redtape.com/help-desk.php>

### BOARD POLICIES

The details of the policies approved and adopted by the Board as required under the Act and Securities and Exchange Board of India (SEBI) regulations are provided in weblink i.e. <https://about.redtape.com/code-of-conducts-and-policies.php>

### BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills, including expertise in financial, diversity, global business, leadership, information technology, mergers and acquisitions, Board service and governance, sales and marketing, Environmental, Social and Governance (ESG), risk management and cybersecurity and other domains, which will ensure that our Company retains its competitive advantage. The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Board\\_Diversity\\_Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Board_Diversity_Policy.pdf).

Your Company is having robust and duly complied with the orders, rules, regulations, and all other legal requirements under the Information Technology Act, 2000, including adhering to the guidelines related to data protection and privacy as well as cyber security to enable the organization to operate in a digital environment of Trust and Confidence and that the information has been protected against threats including cyber frauds and data breaches and that the necessary security measures including secured computer system.

## COMPLIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with the Secretarial Standards with respect to General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) constituted under section 3 of the Company Secretaries Act, 1980, and approved as such by the Central Government.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund ("IEPF").

However, pursuant to the Scheme of Arrangement, the Company has issued 4,76,921 equity shares to IEPF against the IEPF's shareholding in the Transferee Company – Mirza International Limited.

### DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company since inception, ensures gender equality and the right to work with dignity to all employees (permanent, contractual, temporary and trainees) of the Company and has been following a zero tolerance against sexual harassment of any person at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and in order ensure this in all its strictness, the Company has in place an Internal Complaints Committee, the constitution whereof, is in complete compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Sexual Harassment Policy of the Company has been effectively promoted and propagated an environment and culture in the Company which inculcates in the male employees, a spirit of utmost respect for the women workforce at every level. The Company has also formulated a set of standing orders which stipulate very harsh punitive measures against any employee found guilty of having or attempting to have sexually harassed a female employee, which without prejudice to the other actions taken against the offender, include immediate termination of his services.

The fact that safety and security of the women workforce in the Company has been an area given the paramount importance in the Company explains why the Company can proudly boast or being among the safest work places for women in the country. As has been the case in the

previous years, during the year under review as well, no complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2015, were received during the year under review.

### **RISK MANAGEMENT POLICY**

The Board of Directors bear the overall responsibility for the company's risk management and internal control procedures in connection with the financial reporting process, including ensuring compliance with relevant legislation and other regulations relating to financial reporting. The Board of Directors undertakes on-going assessment of the risks to which the company is subject, including risks relating to financial reporting.

The risk management procedures and internal control are regularly reviewed in order to continuously secure and enhance their effectiveness.

### **INTERNAL FINANCIAL CONTROL FOR FINANCIAL STATEMENTS**

Your Company has an effective internal financial control system, which is continuously evaluated by the internal and statutory auditors. The internal financial controls are designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Board of the Company.

### **INTERNAL AUDITOR**

In terms of Section 138 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of the Company, upon the recommendation of the Audit Committee, in their meeting held on July 17, 2023, has appointed M/s Surinder Mahajan & Associates, Chartered Accountants (Firm Registration No. 009973N) Chartered Accountants, as the Internal Auditor of the Company to conduct the Internal Audit for the financial year 2023-24.

The Internal Audit Report for financial year 2023-24, does not contain any qualification, reservation, disclaimer or adverse remark.

### **VIGIL MECHANISM POLICY**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Nominated Director. It is affirmed that no personnel of the Company have been denied

access to the Vigilance and Ethics Officer appointed under such Policy.

The Vigil Mechanism and Whistle Blower Policy of the Company as approved by the Board of Directors, is uploaded on the Company's website at [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Vigil-Mechanism-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf).

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING PRACTICES**

During the financial year under review, the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 were not applicable. However, during Current financial year, the Company has formulated the Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSIs) in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. These codes are displayed on the Company's website having link .i.e. . [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Code-SEBI-PIT-Regulations.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Code-SEBI-PIT-Regulations.pdf).

### **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

During the year under review, no application was made and also no proceeding was pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

### **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

During the year under review, no such valuation was required to be done.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the period under review, no such order is passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations other than the orders mentioned herein above.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That they had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they had prepared the annual accounts on a going concern basis;
- e) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## LISTING WITH STOCK EXCHANGES

The shares of the Company are listed on BSE Limited and National Stock Exchange Limited w.e.f. August 11, 2023. The Annual Listing Fees for the financial year 2024-25 is paid to the Stock Exchanges.

## GREEN INITIATIVE

Your Company has implemented the "Green Initiative" to enable electronic delivery of notice/documents/annual reports to shareholders. The Annual Report for the financial year 2023-24 and Notice of the 3<sup>rd</sup> Annual General Meeting are being sent to all members electronically, whose e-mail

addresses are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2023-24 is also available on the Company's website .i.e. www.redtape.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

The above are in compliance with relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time. The e-voting facility is being provided to the members to enable them to cast their votes electronically on all resolutions set forth in the notice, pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice of this 3<sup>rd</sup> Annual General Meeting.

## ACKNOWLEDGEMENTS

The Board of Directors takes this opportunity to place on record its appreciation of the significant contribution made by the employees for their dedicated service and firm commitment to the goals & vision of the Company. The Company has achieved impressive growth through competence, hard work, solidarity, cooperation and support of employees at all levels. Your Board also wishes to place on record its sincere appreciation for the whole-hearted support received from the customers, dealers, distributors, franchisee partners, vendors and other business associates and from the neighborhood communities of Plant locations. We look forward to continued support of all these partners in the future.

Your Directors also wish to thank the Government of India, the State Governments and other regulatory authorities, banks and Shareholders for their cooperation and support extended to the Company.

For and on behalf of the Board  
For **REDTAPE LIMITED**

**Rashid Ahmed Mirza**  
Chairperson  
DIN: 00049009

Place: Dubai  
Date: August 28, 2024

**Annexure-I**
**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

<b>1. Details of contracts or arrangements or transactions not at arm's length basis</b>					
(a)	Name(s) of the related party and nature of relationship				NA
(b)	Nature of contracts/arrangements/transactions				NA
(c)	Duration of the contracts / arrangements/transactions				NA
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any				NA
(e)	Justification for entering into such contracts or arrangements or transactions				NA
(f)	date(s) of approval by the Board				NA
(g)	Amount paid as advances, if any:				NA
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188				NA
<b>2. Details of material contracts or arrangement or transactions at arm's length basis</b>					
(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
NA	NA	NA	NA	NA	NA

## Annexure II

**Conservation of energy, technology absorption, foreign exchange earnings and outgo****(A) Conservation of energy:**

- (i) the steps taken or impact on conservation of energy;

Energy conservation measures are being carried out continuously in its operational activities by way of monitoring energy related parameters on regular basis. To achieve above objectives, the following steps are being undertaken by the Company:

- Auto cut new technology-based compressors are now installed;
- Continuously monitoring the energy parameters such as maximum demand, power factor, load factor on regular basis;
- Installation of energy efficient LED lights by replacing high energy consuming lights;
- Increasing the awareness of energy saving within the organization to avoid the wastage of energy;
- Reducing the factory load during high demand cycle time.

- (ii) Steps taken for utilization of alternate source of energy;

Installation of 1.023 MWP solar panels is completed at one of our plant and implementation of further expansion is under process.

- (iii) Capital investment on energy conservation equipment:

The Company has invested an amount of ₹410.38 Lakhs for financial year 2023-2024.

**(B) Technology Absorption:**

- (i) Efforts made towards technology absorption

Following efforts are made during the year towards technology absorption:

- The business activities such as logistics, sales and manufacturing are through integrated software control.
- Replacement of old Desktops / Laptops with latest technology Laptops and data processing units;
- women sports / running shoes are now equipped with more comfortable ingredients

- Adoption of latest materials of uppers and soles made on laser cutting and high frequency welding added with multilayer multi colour screening.

- Expansion of retail base of Online stores in domestic market.

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- Speedy and real time updated flow of information between management and staff level;

- Adding and retaining customer base ;

- Value addition and Brand Building via online outlets with more customer reach.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not applicable, as no technology was imported.

- (iv) The testing lab is now equipped with various physical tests to record the quality of raw materials as well as finished product

The development of various designs based on fashion and market demand were taken up during the year, for which series of tools and moulds were procured and used.

- (iv) Lot of tooling and series of moulds were made during the year to meet technological requirement of the shoes .

Further, Innovative fabrics along with the edit technology of lazer cutting high frequency welding and lamination could fetch the latest product and for the trend.

- (v) the expenditure incurred on Research and Development -. INR 653.27 Lakhs

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are:

Amount in INR

a. Total Foreign exchange earned in terms of actual inflows	5,14,29,301/-
b. Total Foreign exchange outgo in terms of actual outflows	7,24,63,58,242/-



**Annexure III**
**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year under review:

Name	Designation	Remuneration paid/ payable to Directors/ KMPS in FY 2023-24	Ratio of remuneration to median of remuneration of employees
Mr. Rashid Ahmed Mirza &	Chairman (Whole-time Director)	Nil	Nil
Mr. Shuja Mirza	Managing Director	8,40,38,461	515.12
Mr. Arvind Verma	Whole-time Director	74,60,192	45.73
Mr. Narendra Prasad Upadhyaya*	Whole-time Director	17,75,000	10.88
Ms. Sunanda%	Whole-time Director	14,20,174	8.71
Mr. Sanjay Bhalla§	Independent Director	1,75,000	1.07
Mr. Subhash Chander Sapra§	Independent Director	1,75,000	1.07
Mr. Yashvir Singh§	Independent Director	1,75,000	1.07
Ms. Rajshree Saxena§	Independent Director	1,25,000	0.77

& MR. Rashid Ahmed Mirza, Chairman, is not drawing any remuneration from the Company.

\* Mr. Narendra Prasad Upadhyaya, ceased to be the Whole Time Director w.e.f. August 31, 2023.

% Ms. Sunanda appointed as Whole Time Director w.e.f. August 01, 2023.

§ Independent Directors receive sitting fees.

2. Details of percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial year 2023-24 as compared to the last year are as follows:

Name	Designation	% Increase/ Decrease
Mr. Rashid Ahmed Mirza	Chairman (Whole-time Director)	Nil
Mr. Shuja Mirza	Managing Director	40%
Mr. Arvind Verma	Whole-time Director	13%
Mr. Narendra Prasad Upadhyaya	Whole-time Director	Not Applicable*
Ms. Sunanda	Whole-time Director	Not Applicable*
Mr. Sanjay Bhalla	Independent Director	Not Applicable*
Mr. Subhash Chander Sapra	Independent Director	Not Applicable*
Mr. Yashvir Singh	Independent Director	Not Applicable*
Ms. Rajshree Saxena	Independent Director	Not Applicable*
Mr. Abhinav Jain	Chief Financial officer	Not Applicable*
Ms. Nandita Singh	Company Secretary & Compliance officer	Not Applicable*
Mr. Nand Kishore Sharma	Company Secretary & Compliance officer	Not Applicable*
Ms. Sakshi Mehta	Company Secretary & Compliance officer	Not Applicable*
Mr. Akhileendra Bahadur Singh	Company Secretary & Compliance officer	Not Applicable*

\* Remuneration received in FY 2024 is not comparable with remuneration for FY 2023 (for part of the year) and hence not stated.

3. the percentage increase in the median remuneration of employees in the financial year 2023-24: 11%
4. The number of permanent employees on the rolls of the Company as on March 31, 2024: 867
5. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Remuneration received in FY 2024 is not comparable with remuneration for FY 2023 (for part of the year) and hence not stated.
6. Affirmation that the remuneration is as per the Remuneration Policy of the Company: The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

## ANNEXURE – IV

## Secretarial Audit Report

For the financial year ended 31<sup>st</sup> March, 2024

To

The Members

**REDTAPE Limited**

Regd. Office: Plot No. 08, Sector 90,  
Gautam Buddha Nagar,  
Noida-201301, Uttar Pradesh

In terms of the provisions of section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, we have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by REDTAPE Limited, a Company incorporated under the provisions of the Companies Act, 2013, vide CIN L74101UP2021PLC156659 and having its registered office at Plot No. 08, Sector 90, Gautam Buddha Nagar, Noida-201301, Uttar Pradesh (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the listed entity during the review period)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(Not Applicable to the listed entity during the review period)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2021; **(Not Applicable to the listed entity during the review period)**
  - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998; **(Not Applicable to the listed entity during the review period)**
- vi. The management has identified the following laws as specifically applicable to the Company.
  - Consumer Protection Act, 2019;
  - The Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011
  - The Factories Act, 1948
  - Bureau of Indian Standards Act, 2016 and the Footwear made from Leather and other materials (Quality Control) Order, 2020
  - Environment (Protection) Act, 1986 (“EPA”) and the Environment Protection Rules, 1986;

Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; The Noise Pollution (regulation and control) Rules, 2000

- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- The Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991
- The Employees State Insurance Act, 1948
- The Payment of Gratuity Act, 1972
- The Payment of Bonus Act, 1965
- The Indian Contract Act, 1872
- Trade Marks Act, 1999
- Designs Act, 2000
- The Rubber Act, 1947

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government;
- ii. SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, except the following:

- Pursuant to the Composite Scheme of Arrangement of RTS Fashions Private Limited, Mirza International Limited and REDTAPE Limited and their respective Shareholders and Creditors; the Company is listed on NSE and BSE with effect from 11<sup>th</sup> August, 2023.

#### **We further report that:**

During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not entered into/carried out any specific events/actions which may have a major bearing on the Company's affairs.

**For Mallika & Co.**  
Company Secretaries  
UIN: S2023DE919900

**Mallika Goel**  
Proprietor  
FCS: 11658; COP: 23020  
Peer Review Certificate Number: 3465/2023  
UDIN: F011658F000921875

Date: 7<sup>th</sup> August 2024  
Place: New Delhi

## 'Annexure A'

To

The Members

**REDTAPE Limited**

Regd. Office: Plot No. 08, Sector 90,  
Gautam Buddha Nagar,  
Noida-201301, Uttar Pradesh

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mallika & Co.**

Company Secretaries

UIN: S2023DE919900

**Mallika Goel**

Proprietor

FCS: 11658; COP: 23020

Peer Review Certificate Number: 3465/2023

UDIN: F011658F00092187

Date: 7<sup>th</sup> August 2024

Place: New Delhi

## ANNEXURE-V

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR ENDED MARCH 31, 2024**

Pursuant to Clause (o) of Sub-Section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs.**

At REDTAPE, the social and environment responsibility has always been integral part of the system. The Company's commitment to be a good corporate organization has been strengthening and re-enforcing by actively assisting in the improvement of quality of life of the people in the communities, giving preference to local areas around its business operations. It is Company's belief that involvement in social issues must be deep, meaningful, and formed on the bedrock of long-term commitment, for that is the only way by which real change can happen on the ground. Company shall continue to relentlessly strive in its endeavour of nation-building, sustainable development, accelerated inclusive growth and social equity. The main objective is to make CSR a key business process for sustainable development of the society. Through this policy, the Company aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of the policy.

The Company has framed a Policy in compliance with the provisions of Companies Act, 2013 and the same is placed on Company's website [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/CSR\\_Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/CSR_Policy.pdf)

2. **Composition of the CSR Committee**

Sl No.	Name of the Director	Designation/Nature of Directorship	Number of Meetings held during the year	Number of Meeting attended during the Year
1	Mr. Shuja Mirza	Chairman /Managing Director	2	1
2	Mr. Arvind Verma	Member/Whole-Time Director		2
3	Dr. Yashvir Singh	Member/Independent Director		1
4	Dr. Rajshree Saxena	Member/Independent Director		2

3. **Provide the weblink where the composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.**

The CSR Policy is available on the website of Company i.e. [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/CSR\\_Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/CSR_Policy.pdf).

4. **Provide the executive summary along with weblink of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL**

6. **Average net profit of the Company for last three financial years**

Average Net Profit Rs. 9081.14 Lakh. (Two years only)

7.
  - a) **Two percent of average net profit of the Company as per section 135(5): 181.62 Lakhs**
  - b) **Surplus arising out of the CSR projects or programs or activities of the previous financial years – NA**
  - c) **Amount required to be set off for the financial year, if any- NA Lakhs**
  - d) **Total CSR obligation for the financial year (7a+7b- 7c) -181.62 Lakhs**

## 8. (A) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) (in Rs.)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,47,08,167	35,00,000	30.04.2024	-	-	-

## (B) Details of CSR amount spent against ongoing projects for the financial year.

(1)	(2)	(3)	(4)	(5)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(11)
Sl. No. of the Project	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Mode of Implementation - Through Implementing Agency
			State	District							Name	CSR Registration number
NOT APPLICABLE												

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Ac	Local area (Yes/No)	Location of the project	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
			State	District			Name	CSR registration number	
1.	Medical Eye Care	Promoting Healthcare	Yes	Haryana & Uttar Pradesh	Gurugram & Kanpur	1,50,000	No	Arunodaya Trust Charitable	CSR00014311
2.	Cultural Activities	Promoting awareness about the Indian National Flag	Yes	Uttar Pradesh	Noida	34,000/-	NO	GM Associates	NA
3.	Hospital and Other medical Activities	Promoting Healthcare	Yes	Uttar Pradesh	Kanpur	1,02,10,000/-	NO	Mirza Foundation	CSR00012939
4.	National Apprenticeship Promotion Scheme	Promoting Employment enhancing Vocational Skills	Yes	Uttar Pradesh	Unnao	38,14,167	NO	Quess Corp. Limited	NA
5.	Educational Activities	Promoting Education	Yes	Uttar Pradesh	Kanpur	5,00,000	NO	Vidyalaya Samiti	Prabandh NA
<b>Total</b>						<b>1,47,08,167</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 1,47,08,167/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	18162000
(ii)	Total amount spent for the Financial Year	14708167
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

**9. Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2022-23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total</b>		<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
N.A.								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- Date of creation or acquisition of the capital asset(s): N.A.
- Amount of CSR spent for creation or acquisition of capital asset: N.A.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc : N.A.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).  
- NA**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Sd/-

**Shuja Mirza**

Managing Director & Chairman of CSR Committee

Place: Noida

Date: August 28, 2024

# Management Discussion and Analysis (MD&A) Report

## Forward Looking Statement

The statements in this Management Discussion and Analysis Report concerning the Company's goals, projections, estimates, expectations, or predictions may be considered 'forward-looking statements' as per applicable securities laws and regulations. It is important to acknowledge that actual outcomes may differ significantly from those indicated in these statements. Several key factors could influence the Company's operations, including the availability and pricing of raw materials, cyclical demand and pricing trends in its primary markets, changes in government regulations and tax regimes, economic developments both in India and in the countries where the Company operates, and other related factors.

Unless otherwise specified or the context otherwise requires, all references to "we," "us," "your", "our," "the Company," or "REDTAPE" pertain to REDTAPE Limited.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Footwear Industry

Economic think tank "Global Trade Research Initiative" said that the Indian footwear market, valued at USD 26 billion, is projected to reach USD 90 billion by 2030. This growth will be driven by two main changes – a significant increase in the demand for non-leather footwear (like sports shoes, running shoes, casual wear, and sneakers), rising from 25% to 75% market share by 2030; and a shift in leather shoe production from small-scale, cottage industries to large corporates.

India is increasingly adopting non-leather footwear, a trend driven by younger, fashion-conscious consumers with more disposable income. This shift is supported by factors like rising middle class, urbanization, and a preference for branded and casual footwear. E-commerce has also expanded access to various footwear styles. Footwear has become a fashion statement, leading to an increase in both the volume and price of sales. People now own multiple pairs of footwear for different occasions, including casual, formal, dress, and athletic styles.

India is the second-largest global producer of footwear, accounting for 13% of global footwear production and 2.2% of global exports.

Given the enormous growth of the footwear industry over the years, REDTAPE feels innovating not only in its products, but also in the way of presenting the brand to the consumer and the same has become a part of brand identity. Your Company strives to stand by its values which is the strength of its brand.

## Apparel Industry

### Global Industry

According to McKinsey's analysis of fashion forecasts, globally the apparel and retail industry will post top-line growth of 2 to 4 percent in 2024, with regional and country-level variations. Once again, the luxury segment is expected to generate the biggest share of economic profit. Accordingly, for FY2024, the apparel market size is estimated to USD 1.36 trillion and is expected to reach USD 1.78 trillion by 2029, this growth can be primarily attributed to increase in the popularity of e-commerce platforms, facilitating manufacturers to serve a global clientele base.

### The Indian Apparel Industry

As India's per capita income is experiencing rapid growth, among various categories, fashion apparel is anticipated to exhibit the highest growth rate and maintain its position as one of the largest segments. With increasing affluence, consumers are likely to enhance their fashion preferences and keep up with evolving trends driving sustained demand for apparel products in the market,

In post-pandemic world, many fashion and apparel retailers have continued to expand their retail footprint. The year 2023 highlighted that e-commerce and omnichannel play become a permanent feature in the retail industry. Several brands have increasingly adopted omnichannel play, leveraging their physical stores to fulfil online orders and enhancing customer value proposition.

India's youthful population distinguishes it from other major economies, presenting a demographic advantage that is expected to drive the growth of organized retail. With a median age of around 28.2 years, young consumers are more inclined towards discretionary spending and are adept at rapidly adopting and interpreting fashion trends. As a result, the expected contributions from "Gen Z and Millennials" are poised to significantly enhance the growth prospects of the apparel sector.

The Indian fashion and lifestyle industry is set for dynamic growth by embracing innovative strategies, leveraging technological advancements, expanding retail operations, employing better sustainable practices, and improving employee engagement. Revenue in the Indian apparel market is projected to reach USD 105.5 billion in 2024, presenting significant opportunities for brands to extend their



geographical footprint. In addition to retail expansion, brands are strategically focusing on niches such as e-commerce, omnichannel approaches, and the incorporation of advanced technologies, particularly Artificial Intelligence.

The industry is witnessing a paradigm shift towards sustainability, paving the way for a greener future. Growing environmental awareness is prompting brands and retailers to adopt sustainable practices, as evidenced by the growth of the ethical fashion market. Furthermore, India's burgeoning population, increasing disposable income, and evolving fashion trends are expected to bolster the growth of the apparel market.

The government has also introduced initiatives like the Amended Technology Upgradation Fund Scheme and the Advance Authorisation Scheme, aimed at enhancing and increasing the production of textile and apparel products in the country. Additionally, the Government of India has approved the continuation of the Rebate of State and Central Taxes and Levies (RoSCTL) scheme until March 31, 2026, further supporting the industry's growth.

## Outlook

Indian economy is likely to grow at 7% in the FY25, according to the Reserve Bank of India's (RBI) annual report. The outlook for the Indian economy remains bright, underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial and corporate sectors and a resilient external sector, said the RBI.

The government's continued thrust on capex while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand, as per the central bank's report.

According to the top bank, the easing of supply chain pressures, broad-based softening in core inflation and early indications of an above normal southwest monsoon augur well for the inflation outlook in 2024-25. Although, low reservoir levels, especially in the southern states and the outlook of above normal temperatures during the initial months of 2024-25 need close monitoring, says the top bank.

Headline inflation moderated by 1.3 percentage points on an annual average basis to 5.4% in 2023-24.

The volatility in international crude oil prices, the persisting geopolitical tensions and elevated global financial market volatility also pose upward risk to the inflation trajectory.

## OPPORTUNITIES AND THREATS

### Opportunities:

- The growth of the retail sector and e-commerce will boost the growth of the Footwear and Retail Industry.
- We are planning to open approximately 100 retail outlets across India, with a particular focus on expanding our presence in South India.
- Rising disposable incomes will stimulate domestic demand.
- Growing popularity of 'fast fashion' product will contribute to the growth of the Footwear and Apparel Industry.
- We have significant control over our global supply chain, with major vendors BIS (Bureau of India Standards) certified under the Ministry of Consumer Affairs, ensuring high quality and reliability.
- We are proud to highlight that our company has established a robust international presence in Turkey, Australia, the Middle East, Sri Lanka, Bangladesh, and Nepal. This strategic expansion enables us to leverage the significant growth opportunities available in these dynamic economies.
- There is significant potential for growth in emerging markets like India, China, and Southeast Asia, where the middle class is expanding, and the demand for sportswear is increasing. REDTAPE can focus on expanding its presence and increasing its market share in these regions.
- Proliferation of e-commerce market provides opportunities for REDTAPE to increase its online sales and reach more customers.
- Investing in a user-friendly online shopping experience, targeted digital marketing, efficient logistics, and innovative, fashionable athleisure and casual wear can help REDTAPE capitalize on market trends and changing consumer preferences.
- Capitalizing on urbanization in tier 2 and tier 3 cities, we aim to capture growth and diversify our customer base through strategic expansion and an advanced, diverse footwear range including outdoor, performance, and women's shoes.

Your Company continuously explores and embraces new ideas to exceed customer expectations, incorporating innovation into both its products and brand identity, while adhering to core values that align with its purpose and long-term vision for all stakeholders.

### Threats, risk and challenges:

- Being a labour-intensive sector, the shortage of skilled workforce may impact the operations and result in inability to complete orders.

- Stiff competition in the global market.
- Today's informed consumers demand branded, aspirational products, challenging the footwear and apparel industry to swiftly adapt and ensure transparency and security in purchasing.
- Your Company's limited presence in some emerging Southeast Asian markets, compared to competitors, may restrict its ability to capitalize on significant growth opportunities.
- Major threats include rapidly changing customer preferences, raw material shortages, inflation, rising interest rates, limited retail space, government policies, geopolitical tensions, and challenges in product quality and innovation.

REDTAPE's proactive risk management, with Board of Directors reviews and Risk Management Committee oversight, enables effective navigation of uncertainties and challenges, ensuring sustained growth and success in the dynamic footwear industry.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an adequate system of internal financial controls in place commensurate with the size, scale and complexity of the operations of the Company. We have documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a management efficiency, measurability and verifiability, assurance regarding maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use or losses, executing transactions with proper authorisation, compliances with regulations. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

We have continued our efforts to align all our processes and controls with global best practices.

Some significant features of the internal control of systems are:

- The Audit Committee has been constituted and it regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- A monitoring process is in place to track the implementation of audit recommendations, including those related to enhancing the Company's risk management systems.
- Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance program, as required under the Companies Act, 2013.

- Robust Enterprise Resource Planning, supplier relations management and customer relations management connect our different locations, dealers and vendors for efficient and seamless information exchange.
- Detailed business plans for each segment, Investment Strategies, year-on-year reviews.
- A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to Management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks.
- The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application.
- The Company this year get its Internal Financial Control System (IFCS) checked & verified by the Grant Thornton Bharat LLP as well and the report of the same is duly presented to the audit committee, Internal Auditors, Statutory Auditors and further discussed with the Board of Directors. No adverse findings were recognized during such verification.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

REDTAPE, as an organization, places its Employees at the heart of its operations, with a belief that they are the driving force behind the company's success. The Organization believes that our Employees are the cornerstone of its ongoing success in all segments. The organization believes in human resource development, which identifies pools of competences essential to provide desired output and prioritizes the development of those talents through ongoing training. The Company provides an array of learning opportunities as well to help employees improve their existing skills and knowledge.

As a new-age organization, the company's goal is to establish a strong team with an approach which optimizes for both present challenges and prospective possibilities of growth within the organization. The staff members as an asset of our company are engaged with businesses to recruit suitable candidates for all vacant positions to create a pool of sustainable talent. The organization's leadership engages with high performers and establishes clear development paths for them. The organization provides lucrative incentives to stimulate and engage employees in achieving goals. The company has developed a strategy to identify possible successors for various positions throughout the organization.

The organization encourages its staff to experiment with novel processes in order to set themselves free from their worn-out routine. The company also makes an effort to

arrange events that foster teamwork. Furthermore, the staff retention tool has been strategically placed throughout the company's operations.

The Organization also fosters a fair and inclusive work environment through multiple initiatives that encourage employees to learn from one another and reach their full potential. With strong confidence in the value of its people, REDTAPE is constantly working to update and improve their abilities, keeping them nimble and responsive in a dynamic business environment.

The Human Resources and Secretarial Departments collaborate with other Functional Heads to prevent and address sexual harassment in the workplace. So, REDTAPE proudly proclaims that no charges have been filed under the Sexual Harassment of Women at Workplace

(Prevention, Prohibition, and Redressal) Act, 2013 during the time period under consideration.

REDTAPE LIMITED also yearns to provide a safe working environment to foster a sense of belonging in its employees. To ensure zero injuries and meet safety goals throughout the industrial unit and premises, a process of suggestions and continuous improvement has been developed.

Upholding ethical standards and fostering an inclusive workplace, REDTAPE seeks to sustain the dedication and excellence of its workforce in achieving the organization's objectives.

As of March 31, 2024, the company's on-roll employee strength stood at 867 compared to 803 the previous year.

## FINANCIAL PERFORMANCE

The key indicators of the financial performance of the Company for the Financial Year 2023-24 were as under:

Amount in INR Lakhs

S r . No.	Particulars	Standalone		Consolidated	
		F.Y. 2023-24	F.Y. 2022-23	F.Y. 2023-24	F.Y. 2022-23
1	Total Revenue	184464	146533	185597	147483
2	Total Expenses Excluding Finance Cost & Depreciation	152615	122533	152798	122683
3	EBITDA (Earnings before Interest, Depreciation & Tax)	31849	24000	32799	24800
4	Finance Costs	3244	1444	3251	1446
5	Depreciation & Amortization Expenses	5876	4444	5924	4444
6	Profit/ Loss before Exceptional items	22729	18112	23624	18910
7	Add: Exceptional items [Gain(+)/ Loss(-)]	0	0	0	0
8	Profit/Loss from continuing operations before Tax	22729	18112	23624	18910
9	Tax Expense	5749	4505	6000	4695
10	Profit/Loss from continuing operations After Tax	16980	13607	17624	14215
11	Profit/Loss from discontinued operations After Tax	0	0	0	0
12	Profit/ Lossfor the year after Tax	16980	13607	17624	14215
13	Other Comprehensive Income	-33	-234	-20	-234
14	Total Comprehensive Income	16947	13373	17604	13981
15	Basic EPS (Per Share of Rs. 2/-) (in Rs.)	12.29	9.85	12.75	10.29
16	Diluted EPS (Per Share of Rs. 2/-) (in Rs.)	12.29	9.85	12.75	10.29

### Details of significant changes in key financial ratios along with explanation

Amount in INR Lakhs

	Standalone			Consolidated		
	FY 2023-24	FY 2022-23	Variation (in %)	FY 2023-24	FY 2022-23	Variation (in %)
Debtors Turnover	20.98	20.80	0.87%	21.08	20.93	0.72%
Inventory Turnover	2.61	2.81	-7.12%	2.62	2.82	-7.09%
Interest Coverage Ratio	1.98	2.97	-33.12%	2.04	3.07	-33.55%
Current Ratio	1.46	1.37	6.57%	1.48	1.39	6.47%
Debt Equity Ratio	0.25	0.17	-47.06%	0.25	0.17	47.06%
Operating Profit Margin (%)	14.38	14.19	-1.34%	14.81	14.64	1.16%
Net Profit Margin (%)	9.27	9.33	-0.64%	9.56	9.68	-1.24%
Return on Net Worth	27.25	29.51	-7.66%	27.7	30.24	-8.40%

### Cautionary statement

The Management Discussion and Analysis Report contains statements regarding estimates, expectations, or predictions, which may qualify as forward-looking statements under applicable laws and regulations. Actual results could differ significantly from these statements, whether expressed or implied. Key factors influencing the company's operations include demand-supply dynamics, fluctuations in raw material prices, shifts in government policies and tax regimes, global economic trends, as well as other variables like litigation outcomes and negotiations with labour.

# CORPORATE GOVERNANCE REPORT

## 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

REDTAPE Limited (hereinafter referred as "the Company") was incorporated in December 08, 2021 & got listed and admitted to dealings on Exchange w.e.f. August 11, 2023, is committed towards achieving the highest standards of Corporate Governance coupled with best-in-class practices across all its business operations thereby ensuring its core values i.e. Customer First, Transparency, Integrity and Professionalism. The Company focuses on implementing robust, resilient and best corporate practices in every facet of its operations and in all spheres of its activities for generating significantly greater returns and maximizing shareholders' value.

The Board of Directors ('the Board') is responsible for and is committed to sound principles of Corporate Governance of the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of stakeholders. Your Company is nimble-footed and continuously evolving its strategies to deal with emergent challenges with the help of the in-depth experience of the management team.

The Company also engages itself in a credible and transparent manner with all its stakeholders, which helps them to understand its long-term strategies. All its actions are governed by its values and principles, which are reinforced at all levels of the Company. This, together with meaningful CSR activities, wherever required, has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

In line with the nature and size of operations, the Corporate Governance framework of the Company, is based on the following main principles:

- Optimizing the size and composition of Board to ensure that it has the appropriate mix of domain, functional, operational and legal expertise with the relevant experience and commitment to discharge their responsibilities and duties, thereby ensuring transparency and independence in the functions of the Board.
- Ensuring timely flow of information to the Board and its Committees to enable them spending adequate time on strategy, performance, talent, risk management, succession planning and social responsibility with clear vision and guidelines to discharge their functions effectively.

- Timely and balanced disclosure of all material information concerning the Company to all stakeholders and protection of their rights and interests.
- Independent verification and assured integrity of financial reporting.
- Engaging and communicating with long-term institutional investors and constructively engaging with them on matters of strategic importance.
- A sound system of risk management, internal control, anti-bribery and anti-corruption business practices.
- Compliance with applicable laws, rules and regulations in letter and spirit.

The Company has adopted a Code of Conduct for its employees, including the Executive Directors. The Company has also adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

## 2. BOARD OF DIRECTORS ("BOARD")

### A. Composition and size of the Board

The Board of the Company has been constituted in compliance with the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI LODR") as amended and in accordance with highest standards of Corporate Governance in its management, which ensures an appropriate mix of Executive/Non-Executive, Woman Director and Independent Directors with demonstrated skill sets and relevant experience. The Board members have professional knowledge and experience in diverse fields.

As of March 31, 2024, the Board consisted with 8 (Eight) directors: Mr. Rashid Ahmed Mirza, serving as the Executive Director and designated as Whole-Time Director & Chairman; Mr. Shuja Mirza, the Managing Director; Mr. Arvind Verma, Whole-time Director; Ms. Sunanda, Whole-time Director; and the remaining directors, Mr. Sanjay Bhalla, Dr. Yashvir Singh, Mr. Subhash Chander Sapra and Mrs. Rajshree Saxena, who are Non-Executive- Independent Directors, respectively.

The core skills, practical experience, special knowledge, and competencies identified by the Board of Directors of the Company as necessary for effective functioning in the context of the Company's business(es) and sector(s) include building and scaling up digital platforms; insurance; sales and marketing of digital platform businesses and insurance products; finance management; tax and regulatory compliance; business strategy; business development; resource mobilization; credit control; collections; economics; law; business management; risk management; human resources; and project execution. The Directors of the Company have mapped their skills based on the board skill matrix.

The details of Directors, directorship in listed companies, the number of directorships held by them in other companies, and also the number of their memberships and chairmanships on various Board Committees, including skill sets, expertise, competencies, and practical knowledge, as on March 31, 2024 are as under:

Sl. No.	Name of the Director and DIN	Category	No. of Directorships in the listed Companies as on 31 March*	Name of the listed Companies	No. of Memberships/ Chairmanships in the Board Committees of various companies (including the Company)**	
					Member***	Chairman
1.	Mr. Rashid Ahmed Mirza (DIN: 00049009) (refer note 1)	Whole-Time Director	1	REDTAPE Limited	0	0
2.	Mr. Shuja Mirza (DIN: 01453110)	Managing Director	1	REDTAPE Limited	0	0
3.	Mr. Arvind Verma (DIN: 09429834)	Whole-time Director	1	REDTAPE Limited	2	0
4.	Ms. Sunanda (DIN: 10243709) (refer note 2)	Whole-time Director	1	REDTAPE Limited	0	0
5.	Mr. Sanjay Bhalla (DIN: 00699901)	Non-Executive Independent Director	2	REDTAPE Limited Mirza International Limited	4	3
6.	Dr. Yashvir Singh (DIN: 00049360)	Non-Executive Independent Director	2	REDTAPE Limited Mirza International Limited	0	0
7.	Mrs. Rajshree Saxena (DIN: 09784592)	Non-Executive Independent Director	1	REDTAPE Limited	1	0
8.	Mr. Subhash Chander Sapra (DIN: 00049243)	Non-Executive Independent Director	1	REDTAPE Limited	1	0

\*Not Includes directorships held in private limited companies, foreign companies and Companies under Section 8 of the Companies Act, 2013.

\*\*Only memberships of the Audit Committee / Stakeholders' Relationship Committee in various public limited companies and chairmanship of the Audit Committee / Stakeholders' Relationship Committee in various equity listed limited companies, including this listed company are considered, as per Regulation 26 of the SEBI LODR.

\*\*\*Includes Chairmanship in the Committees.

Note 1: During the FY 2023-24, Mr. Rashid Ahmed Mirza was appointed as an Executive Director designated as Whole-time Director & Chairman of the Company, by the Board of Director in its Meeting held on September 1, 2023 for a period of 5 year, w.e.f. September 1, 2023 and approval of the Central Government was received on February 26, 2024

Note 2: Ms. Sunanda (DIN: 10243709), was appointed as Whole-time Director w.e.f. August 1, 2023 and subsequently it's also approved by the shareholders in its 2<sup>nd</sup> Annual General Meeting held on September 30, 2023.

Further, Mr. Narendra Prasad Upadhyay (DIN: 00049196) was tender his resignation from the Board of Directors of the Company due to a health issue, w.e.f. August 31, 2023.

The Board of Directors of the Company do hereby confirm that all the present Independent Directors of the Company fulfill the conditions specified in the SEBI LODR and are Independent of the management.

The Board of Directors of the Company had accepted all recommendations of committees of the Board which are mandatorily required, during the financial year 2023-24.

None of the Non-Executive Directors held any equity share and/or convertible security of the Company during the financial year ended March 31, 2024.

The Company has a familiarization program for Independent Directors with regard to their roles, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarization programs along with details of the same imparted to the Independent Directors during the year are available on the website of the Company, at weblink: <https://about.redtape.com/assets/investor-pdf/odur46/Details-of-Familiarisation-Program-for-FY-2023-24.pdf>

## **B. Details of Board Meetings and the last Annual General Meeting (AGM) and attendance record of Directors there at**

The Board meetings of the Company are held in a highly professional manner, after giving proper notice, Board papers, agenda and other explanatory notes / relevant information to each of the directors of the Company, well in advance. At least one meeting is held in every quarter, to review the quarterly performance and the financial results of the Company.

Senior management including the Chief Financial Officer and concerned senior management personnel are generally invited to attend the board meetings so as to provide additional input on the items being discussed by the Board. At the board meetings, the Executive Director and Chief Financial Officer explain to the Board members on various matters including the financial results, operations related issues etc.

During the Financial Year 2023-24, the Board met 8 (Eight) times. The dates of the meetings were April 7, 2023, May 30, 2023, July 17, 2023, July 22, 2023, September 01, 2023, November 9, 2023, December 08, 2023, and January 24, 2024. During the year, a separate meeting of the Independent Directors was held on January 24, 2024, without the attendance of non-independent directors. All Independent Directors attended this meeting. At the meeting, the independent directors assessed the quality, quantity and timeliness of the flow of information between the Company's management and the board.

The last Annual General Meeting (AGM) of the Company was held on September 30, 2023.

**Attendance of each Director at the Board Meetings held during the FY 2023-24 and at the last Annual General Meeting are as under:**

<b>S I . No.</b>	<b>Name of the Directors</b>	<b>No. of Boad Meetings held</b>	<b>No. of Board Meetings attended</b>	<b>Last AGM (Held on 30.09.2023)</b>
1	Mr. Rashid Ahmed Mirza (DIN: 00049009)	8	5	Yes
2	Mr. Shuja Mirza (01453110)	8	6	Yes
3	Mr. Arvind Verma (DIN: 09429834)	8	8	Yes
4	Mr. Narendra Prasad Upadhyay (DIN: 00049196)#	4	1	NA
5	Ms. Sunanda (DIN: 10243709) ##	4	4	Yes
6	Mr. Sanjay Bhalla (DIN: 00699901)	8	7	Yes
7	Dr. Rajshree Saxena (DIN: 09784592)	8	5	Yes
8	Mr. Subhash Chander Sapra (DIN: 00049243)	8	7	Yes
9	Dr. Yashvir Singh (DIN: 00049360)	8	8	Yes

# Resigned w.e.f. August 31, 2023, due to their health issue.

## Ms. Sunanda was appointed as a Whole-time Director by the Board of Directors for a period of 3 years w.e.f. August 1, 2023.

The minutes of the Board meetings of the unlisted subsidiary companies of the Company are placed before the Board meetings of the Company on a quarterly basis.

### 3. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

None of the Non-Executive-Independent Directors of the Company holds any shares and are not related to any director of the Company as on 31<sup>st</sup> March 2024. The details of Shareholding and inter-se relationship between Directors of the Company as at 31<sup>st</sup> March, 2024 is depicted below:

S I . No.	Name of Director	Designation	Relationship with other Directors
1.	Mr. Rashid Ahmed Mirza (DIN: 00049009)	Whole -Time Director	Father of Mr. Shuja Mirza.
2.	Mr. Shuja Mirza (01453110)	Managing Director	Son of Mr. Rashid Ahmed Mirza
3.	Mr. Arvind Verma (DIN: 09429834)	Whole-time Director	Not related to any Director
4.	Ms. Sunanda (DIN: 10243709)	Whole-time Director	Not related to any Director

### 4. COMMITTEES OF THE BOARD

The Board has constituted various Committees to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference. Further, terms of reference were revised to align with the provisions of Companies Act, 2013, SEBI LODR.

The role and the composition of statutory committees including number of meetings held during the financial year and participation of the members at the meetings of the committees, during the year are as under:

#### A. Audit Committee

##### Composition

The composition of the Audit Committee during the year comprised of the following Directors:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Mr. Subhash Chander Sapra	Member	Non-Executive Independent Director
Mr. Arvind Verma	Member	Executive Director
(Designated as Whole-time director)		

Mr. Akhilendra Bahadur Singh, being secretary of the above Committee, was appointed as Company Secretary & designated as Key Managerial Personnel effective from December 08, 2023, of the Company after the resignation of Mrs. Sakshi Mehta from the position of Company Secretary & Key Managerial Personnel.

##### Terms of reference of the Audit Committee

The terms of reference of the Audit Committee, inter-alia, includes:

- a. To oversee the financial reporting process and disclosure of financial information;
- b. To review with management, quarterly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- c. To review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- d. To recommend the appointment of the Internal and Statutory Auditors and fixing their remuneration;
- e. To hold discussions with the Statutory and Internal Auditors;
- f. To review and monitor auditor's independence and performance, and effectiveness of audit process;
- g. To examine the auditors' report on financial statements of the Company (in addition to the financial statements) before submission to the Board;
- h. Approval or any subsequent modification of transactions of the Company with related parties;



- i. Scrutiny of inter-corporate loans and investments;
- j. Valuation of undertakings or assets of the Company, wherever it is necessary;
- k. Monitoring the end use of funds raised through public offers and related matters as and when such funds are raised and also there viewing with the management the utilization of the funds so raised, for purposes other than those stated in the relevant offer document, if any and making appropriate recommendations to the Board in this regard;
- l. Evaluation of the risk management systems (in addition to the internal control systems);
- m. Review and monitoring of the performance of the Statutory Auditor and effectiveness of the audit process
- n. To hold post audit discussions with the auditors to ascertain any area of concern;
- o. To review the functioning of the whistle blower mechanism;
- p. Approval to the appointment of the CFO after assessing the qualifications, experience and background etc. of the candidate.
- q. Reviewing the utilization of loans and/ or advances and/or investment by the Company to its subsidiary companies, exceeding rupees 100 Crore or 10% of the assets side of the respective subsidiary companies, whichever is lower, including existing loans / advances / investment existing as on April 01, 2019.

#### Meetings and Attendance during the year

During the financial year 2023-24, the Audit Committee met 5 times. The dates of the meetings being May 30, 2023, July 17, 2023, September 1, 2023, November 9, 2023 and January 24, 2024. The attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	No. Meetings held during the year	No. of Meetings attended
Mr. Sanjay Bhalla	5	5
Mr. Arvind Verma	5	5
Mr. Subhash Chander Sapra	5	5

The Chief Financial Officer, Statutory and Internal Auditors attended the meetings by invitation.

## B. Nomination & Remuneration Committee

### Composition

The composition of the Nomination & Remuneration Committee during the year comprised the following Directors:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Mr. Subhash Chander Sapra	Member	Non-Executive Independent Director
Dr. Yashvir Singh	Member	Non-Executive Independent Director

### Terms of reference

The terms of reference of N&R Committee, inter-alia, includes:

- a. To recommend to the Board, compensation terms of the Executive Directors;
- b. To assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors;
- c. Identifying the persons who are qualified to become directors and those who may be appointed in senior management in accordance with the criteria laid down by it and recommending to the Board their appointment and removal and carrying out the evaluation of the performance of every director;
- d. Formulating the criteria for determining the qualifications, positive attributes and independence of a director.
- e. Recommending to the Board all remuneration, in whatever form, payable to senior management.

### Meetings and Attendance during the year

During the financial year 2023-24, the Nomination & Remuneration Committee met 5 times. The dates of the meetings being May 30, 2023, July 17, 2023, July 22, 2023, September 1, 2023, and December 8, 2023. The attendance record of committee members of the meetings so held is depicted in the table given below:

Name of the Member	No. of Meetings held during the year	No. of Meetings attended
Mr. Sanjay Bhalla	5	5
Mr. Subhash Chander Sapra	5	5
Dr. Yashvir Singh	5	5

#### Policy for selection and appointment of Directors

The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of the Board of Directors, senior management and their compensation. This Policy is accordingly derived from the said Charter.

- a) The incumbent for the positions of Executive Directors and/or at senior management shall be the persons of high integrity, possesses relevant expertise, experience and leadership qualities, required for the position.
- b) The Non-Executive Directors shall be of high integrity, with relevant expertise and experience so as to have the diverse Board with Directors having expertise in the fields of finance, banking, regulatory, real estate, retail, facility management, hospitality, taxation, law, governance and general management.
- c) In case of appointment of Independent Directors, the independent nature of the proposed appointee vis-a- vis the Company, shall be ensured.
- d) The N&R Committee shall consider qualification, experience, expertise of the incumbent, and shall also ensure that such other criteria with regard to age and other qualification etc., as laid down under the Companies Act, 2013 or other applicable laws are fulfilled, before recommending to the Board, for their appointment as Directors.
- e) In case of re-appointment, the Board shall take into consideration, the performance evaluation of the Director and his engagement level.

#### Remuneration Policy

The company's Remuneration Policy is market led, based on the fundamental principles of payment for performance, for potential and

for growth. It also takes into account the competitive circumstances of the business, so as to attract and retain quality talent and leverage performance significantly. The N&R Committee recommends the remuneration payable to the Executive Directors and/or Key Managerial Personnel, for approval by the Board of Directors of the Company, subject to the approval of its shareholders, wherever necessary. The Remuneration Policy is also available at the website of the Company, at web-link: [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Nomination-and-Remuneration-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Nomination-and-Remuneration-Policy.pdf).

#### Performance Evaluation criteria for Independent Directors

The Independent Directors play a key role in the decision-making process of the Board as they approve the overall strategy of the Company and oversee the performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors bring a wide range of experience, knowledge and judgment. Their wide knowledge of both their field of expertise and boardroom practices brings in varied, unbiased, independent and experienced outlook. All Independent Directors have committed and allocated sufficient time to perform their duties effectively. All the Independent Directors of the Company have confirmed that they have registered themselves in the databank created for Independent Directors, well within the stipulated time frame.

The Nomination and Remuneration Committee (NRC) of the Board reassessed the framework, methodology and criteria for evaluating the performance of the Board as a whole, including Board Committee(s), as well as performance of each Director(s)/Chairman and confirmed that the existing evaluation parameters are in compliance with the requirements as per policy of the Company on Board evaluation. The existing parameters includes effectiveness of the Board and its committees, decision making process, Directors/Members participation, governance, independence, quality and content of agenda papers, teamwork, frequency of meetings, discussions at meetings, corporate culture, contribution, role of the Chairman and management of conflict of interest. On the basis of these parameters and guidance note on board evaluation issued by SEBI, the NRC had reviewed at length the performance of each Director individually and expressed

satisfaction on the process of evaluation and the performance of each Director. The performance evaluation of the Board as a whole and its committees namely, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee as well as the performance of each Director individually, including the Chairman was carried out by the entire Board of Directors. The performance evaluation of the Chairman, Vice-Chairman, Executive Directors and Non-Executive Director was carried out by the Independent Directors in their meeting held on January 24, 2024. The Directors expressed their satisfaction with the evaluation process.

Also, the Chairman of the Company, on a periodic basis, has had one-to-one discussion with the Directors for their views on the functioning of the Board and the Company, including discussions on level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority Shareholders and implementation of the suggestions offered by Directors either individually or collectively during different Board/Committee Meetings.

#### Policy on Board Diversity

The Nomination & Remuneration Committee devises the policy to provide for having a broad experience and diversity on the Board.

#### Directors' Remuneration:

##### (i) Remuneration of Executive Director

The Company pays remuneration by way of a fixed base salary and allowances, commission, retiral and other benefits and reimbursements, based on the recommendations of the NRC within the limits as prescribed under the Companies Act, 2013, the SEBI Listing Regulations and approved by the shareholders.

The service contract, notice period, retirement benefits etc. are applicable as per the HR Policy.

Details of remuneration paid to the Executive directors during the year under review are provided in the Annual Return as on March 31, 2024, which is available on the Company's website [https://about.redtape.com/assets/investor-pdf/annual\\_return/Draft-Annual-Return-23-24.pdf](https://about.redtape.com/assets/investor-pdf/annual_return/Draft-Annual-Return-23-24.pdf)

##### (ii) Remuneration of Non-Executive Director

The Non-executive Directors are entitled to a sitting fee for attending each Board meeting. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings. The service contract, notice period, severance fee etc. are not applicable to the Non-executive Directors.

Details of sitting fees paid to the Independent Directors have been disclosed in the Annual Return as on March 31, 2024, which is available on the Company's website on [https://about.redtape.com/assets/investor-pdf/annual\\_return/Draft-Annual-Return-23-24.pdf](https://about.redtape.com/assets/investor-pdf/annual_return/Draft-Annual-Return-23-24.pdf)

### C. Stakeholders Relationship Committee

#### Composition

The Composition of the Stakeholders Relationship Committee during the year comprised of the following Directors:

Name	Designation	Category
Mr. Sanjay Bhalla	Chairman	Non-Executive Independent Director
Mr. Arvind Verma	Member	Executive Whole Time Director
Dr. Rajshree Saxena	Member	Non-Executive Independent Director

#### Terms of Reference

- To approve requests for share transfers and transmissions;
- To approve the requests pertaining to remat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc.;
- To oversee all matters encompassing the shareholders' / investors' related issues.
- Resolving the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Meetings and Attendance during the year

The securities of the Company got listed and admitted to dealings on Exchange w.e.f. August 11, 2023. After the post listing & during the Financial Year 2023-24, the Committee met once. The dates of the meetings were January 24, 2024.

The attendance record of committee members in respect of the meetings so held is depicted in the table given below:

Name of the Member	No. of Meetings held during the year	No. of Meetings attended
Mr. Sanjay Bhalla	1	1
Mr. Arvind Verma	1	1
Dr. Rajshree Saxena	1	1

#### Name and designation of Compliance Officer

Ms. Nandita Singh was appointed as Company Secretary of the Company w.e.f. 22<sup>nd</sup> March, 2023 & thereafter appointed as Secretary of the Committee on the date of composition of Committee i.e. 7<sup>th</sup> April, 2023. Upon resignation of Ms. Nandita Singh on July 17, 2023, Mr. Nand Kishore Sharma was appointed as Company Secretary of the Company as well as Secretary of the Committee w.e.f. 22<sup>nd</sup> July, 2023.

Upon the resignation of Mr. Nand Kishore Sharma, Ms. Sakshi Mehta was appointed as Company Secretary of the Company w.e.f. September 01, 2023 & thereafter appointed as Secretary of the Committee. On December 08, 2024, Mr. Akhilendra Bahadur Singh was appointed as Company Secretary & Key Managerial Personnel of the Company after the resignation of Ms. Sakshi Mehta from the position of Company Secretary & Key Managerial Personnel.

From January 24, 2024, Mr. Akhilendra Bahadur

Singh, Company Secretary of the Company also acts as the Secretary of the Committee.

#### Details of queries / complaints received and resolved during the year 2023-24

Sl. No.	Particulars	Opening	Received	Disposed	Pending
1	Letters from SEBI / Stock Exchange.	0	4	4	0
2	Non-receipt of dividend	0	0	0	0
3	Non-receipt of annual report	0	0	0	0
4	Non-receipt of shares	0	145	145	0
<b>TOTAL</b>		<b>0</b>	<b>149</b>	<b>149</b>	<b>0</b>

#### D. Corporate Social Responsibility (CSR) Committee Composition

The composition of the Committee during the year comprised of the following Directors:

Name	Designation	Category
Mr. Shuja Mirza	Chairman	Executive Managing Director
Mr. Arvind Verma	Member	Executive Whole Time Director
Mr. Yashvir Singh	Member	Non-Executive Independent Director
Dr. Rajshree Saxena	Member	Non-Executive Independent Director

#### Terms of Reference of Corporate Social Responsibility

The terms of reference of the CSR Committee, inter-alia, includes:

- To recommend to the Board, the CSR activity to be undertaken by the Company;
- To approve the expenditure to be incurred on the CSR activity;
- To oversee and review the effective implementation of the CSR activity;
- To ensure compliance of all related applicable regulatory requirements.

#### Meetings and Attendance during the year

During the Financial Year 2023-24, the Committee met twice. The dates of the meeting were May 30, 2023, and January 24, 2024. The attendance record of Committee members in respect of the meeting so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shuja Mirza	2	1
Mr. Arvind Verma	2	2
Mr. Yashvir Singh	2	1
Dr. Rajshree Saxena	2	2

#### E. Risk Management Committee:

The Composition of the Risk Management Committee during the year comprised of the following Members

Name	Designation	Category
Mr. Shuja Mirza	Chairman	Executive Managing Director
Mr. Arvind Verma	Member	Executive Whole Time Director
Mr. Sanjay Bhalla	Member	Non-Executive Independent Director
Ms. Aparna Bharuka	Member	Manager of Footwear Division

#### Terms of Reference

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the

changing industry dynamics and evolving complexity;

- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

#### Meetings and Attendance during the year

During the Financial Year 2023-24, the Committee met twice. The dates of the meeting were July 17, 2023, and December 08, 2023. The attendance record of Committee members in respect of the meeting so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shuja Mirza	2	0
Mr. Arvind Verma	2	2
Mr. Sanjay Bhalla	2	2
Ms. Aparna Bharuka	2	2

#### Committee of Corporate Affairs:

During the Financial year 2023-24, Board of Director of the Company has constituted a committee with the name of Committee of Corporate Affairs with the three members namely Mr. Shuja Mirza, Managing Director as Chairman, Mr. Rashid Ahmed Mirza and Mr. Arvind Verma, Executive Director designated Whole-time Director, as two other persons as members of the Committee.

#### Terms of Reference

- To authorize officials of the Company to open and/or close, as may be desired, current account, cash credit account, overdraft account, no-lien account, fixed deposit account or any other account(s) in the name of the Company with any Scheduled Bank(s), including changes in signatories from time to time and to operate such account(s) on behalf of the Company.

- To authorize officials of the Company to avail Internet Banking Facility from the Bank(s), for operational convenience, with whom account(s) being maintained by the Company.
- To authorize officials of the Company to create necessary charge(s)/mortgage to secure various Financial Assistance/ Loans sanctioned by Banks/ Financial Institutions to the Company against its current assets and fixed assets.
- To authorize officials of the Company to sign and submit tenders/rate contracts to various Government/ Semi Government authorities and/or Corporations and/or any other concerned authority(ies).
- To authorize officials of the Company to sign papers, documents, letters, returns, forms, invoices and correspondence required to file and/or submit on behalf of the Company under the various Acts and Rules framed there under viz; Central Excise/ Customs/Import & Export/ Reserve Bank of India/ Sales Tax (Central & State)/ VAT/ Goods and Services Tax (GST) and/or any other Act under which the Company required to file such documents.
- To authorize officials of the Company to sign papers, documents, letters, returns, forms, invoices and correspondence required to be submitted/ filed with Director General of Foreign Trade DGFT/ Joint DGFT for obtaining various licenses on behalf of the Company.
- To authorize officials of the Company to open and/or close the Depots of the Company in any State of India or Union Territory of the Country and matters related thereto.
- To authorize officials of the Company for appointment of C&F Agents and to issue Power of Attorney to such C&F Agents for conducting day to day business activities of the Depot of the Company in any State of India or Union Territory of the Country.
- To execute necessary agreement(s) with Government Authority(ies) and/or Corporation and/or Agency(ies) under the Common Seal of the Company.
- To raise financial assistance from the Banks/Financial Institutions in India or abroad, secured or unsecured upto Rs. 50 Crore outstanding at any one time, for business purposes of the Company to meet its financial obligations, Working Capital requirement, Capital Expenses etc., by way of short term or otherwise as may be desired.
- To grant loans / borrow monies from and to Wholly Owned Subsidiaries' of the Company, upto Rs. 50 crores each at any point of time, for the purposes of business activities of such subsidiary(ies) of the Company.
- To take on lease or acquire by way of purchase immovable properties for business purposes of the Company at such rent/ consideration and/or other terms and conditions as may be deem fit and proper and to do all acts, deeds and things, as may be necessary to be done for the aforesaid purpose.
- To consider, approve and finalise the terms and conditions of financial assistance as may be required from time to time from Financial Institutions/Banks, as the case may be, for purchase of Cars/Vehicles in the name of the Company. However, the Vehicle loan/finance shall not exceed Rs. 1 crore each at any time in a financial year.
- To purchase and/or sale immovable property(ies) for business purposes of the Company, subject to maximum limit of Rs. 5 crore per transaction.
- To give Corporate Guarantee in favour of the Bank(s) in India and/or abroad, in respect of the Loan/Credit Facilities granted/to be granted to the wholly owned subsidiaries of the Company, in compliance with the terms and conditions of such facility(ies) for which necessary documentation may be executed by the Company with the Bank(s) without any fees/commission thereof, subject to limit of Rs. 10 Crores for each such Corporate Guarantee at any time.
- To authorize officials of the Company for undertaking the Treasury Transactions/ hedging the forex risk exposures and to set out limits for undertaking such transactions to give effect in accordance with the guidelines/circulars issued by the RBI in this regard from time to time.
- To authorize officials of the Company to sign, execute and submit all necessary

- returns, reports, applications, forms, statements and documents including ECB-II returns to be submitted to Reserve Bank of India (RBI) from time to time for the purpose of complying with various rules, regulations, notifications of RBI with respect to various Foreign Currency Loans including External Commercial Borrowings (ECBs) availed by the Company from various Banks and Financial Institutions.
- To take all necessary steps to avail credit facilities from Banks and/or Financial Institutions by way of issuance of Commercial Paper/Short Term Debt of an amount for which rating affirmed from time to time by Rating Agency(ies) to such borrowings of the Company.
  - To authorize officials of the Company to sign and file necessary application/documents and to appear before the appropriate Courts and/or Legal Forum in respect of Legal cases by or against the Company at such Courts and/or such Legal Forum.
  - To authorize officials of the Company to negotiate, finalise and sign agreement(s) for the purpose of obtaining mobile/landline/data line/broad band connections and internet data card services from the providers of such services in India for use in various offices of the Company and by its employees in India and/or abroad.
  - To authorize officials of the Company to enter into agreement(s) for the purpose of obtaining electricity/water connections and/or any such other connections as may be required for the smooth functioning of day-to-day activities at any or all office(s) of the Company in India and/or abroad.
  - To appoint a proxy/authority/attorney to attend and vote at the general meetings in case of subsidiaries/investment companies in India and abroad
  - To authorize officials of the Company to consider, recommend, approve the Financial Projections and proposals, which are to be submitted with the Bank or any other Authority, and/or any other acts deemed necessary for the above-mentioned purpose.”
  - To authorize officials of the Company to negotiate, finalize and execute documents, papers, forms, applications, returns, letters etc. and any amendments thereto and perform all acts, deeds, things and matters, from time to time, as may be considered necessary, desirable or expedient and settle any question, difficulty or doubt that may arise with respect to any Compromise and Arrangement involving Merger, Amalgamation and Demerger.

#### Meetings and Attendance during the year

During the Financial Year 2023-24, the Committee met once. The date of the meeting was February 3, 2024. The attendance record of Committee members in respect of the meeting so held is depicted in the table given below:

Name of the Member	No. of meetings held during the tenure	No. of meetings attended
Mr. Shuja Mirza	1	1
Mr. Rashid Ahmed Mirza	1	0
Mr. Arvind Verma	1	1

## 5. GENERAL BODY MEETINGS

### A. Location and time of last three Annual General Meetings (AGMs) and number of special resolutions passed thereat:

Year	Meeting	Location	Date	Time	No. of special resolutions passed
2021-22	1 <sup>st</sup> AGM	Plot No. 08, Sector 90, Noida 201301, Uttar Pradesh	September 27, 2022	12:00 P.M.	Nil
2022-23	2 <sup>nd</sup> AGM	Through Video Conferencing	September 30, 2023	11:30 A.M.	1

**B. Special Resolution:**

Special Resolution for appointment and remuneration payable to Mr. Shuja Mirza, Managing Director (DIN:01453110), was passed at the AGM held in 2022-23.

**C. During the year No Extra-Ordinary General Meeting was held**

Year	Meeting	Location	Date	Time	No. of special resolutions passed
2022-23	EGM	Plot No. 08, Sector 90, Noida 201301, Uttar Pradesh	February 25, 2023	11:30 A.M.	5
	EGM	Plot No. 08, Sector 90, Noida 201301, Uttar Pradesh	March 30, 2023	11:30 A.M.	7

**E. Details of Special Resolution proposed to be conducted through postal ballot**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a Special Resolution through postal ballot.

**F. Special Resolutions passed during the financial year 2023-24 through Postal Ballot:**

During the Financial year 2023-24, no resolution was passed by the Company through Postal Ballot.

**6. MEANS OF COMMUNICATION**

The Company has provided adequate and timely information to its member's inter-alia through the following means:

- i) Publication of Financials Results: Publication of Financial Results: The quarterly/ annual results of the Company are normally published in the leading newspapers viz. Financial Express (English) and Jansatta (Hindi).

News, Release, etc.: The Company has its own website: <https://www.redtape.com> and all vital information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate/ investor presentations etc. is regularly posted on the website and are also uploaded on the designated portals of National Stock Exchange of India and BSE Limited, which are disseminated by the Exchanges for information of the public.

- ii) Management Discussion and Analysis Report: The same has been included in a separate section, which forms a part of this Annual Report.

- iii) Investors' Relation: The presentations whenever made to the institutional investors or analysts, are uploaded on the website of the

Company, and also sent to the Stock Exchange for dissemination.

**7. GENERAL SHAREHOLDER INFORMATION****(A) Date, Time and Venue of Annual General Meeting (AGM) for FY 2024**

The 3<sup>rd</sup> AGM will be held on the day, date, time and venue as mentioned in the Notice convening the said AGM. The Company is conducting AGM through Video Conferencing / Other Audio-Visual Mode pursuant to the MCA General Circulars dated May 5, 2020, read with general circulars dated April 8, 2020, April 13, 2020, the latest being September 25, 2023 there is no requirement of having a venue for the AGM.

**(B) Financial year**

The financial year of the Company is a period of twelve months beginning on 1<sup>st</sup> April every calendar year and ending on 31<sup>st</sup> March the following calendar year.

**(C) Dividend Payment date**

During the Financial Year 2023-24, no dividend was recommended by the Board of Directors.

**(D) Listing on Stock Exchanges**

The Company's Equity Shares are listed on the following stock exchanges:

**BSE Limited (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

National Stock Exchange of India Limited (NSE) "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051.

The listing fees for the financial year 2023-24 have been paid to BSE and NSE.



**(E) Stock Code**

BSE Limited : 543957

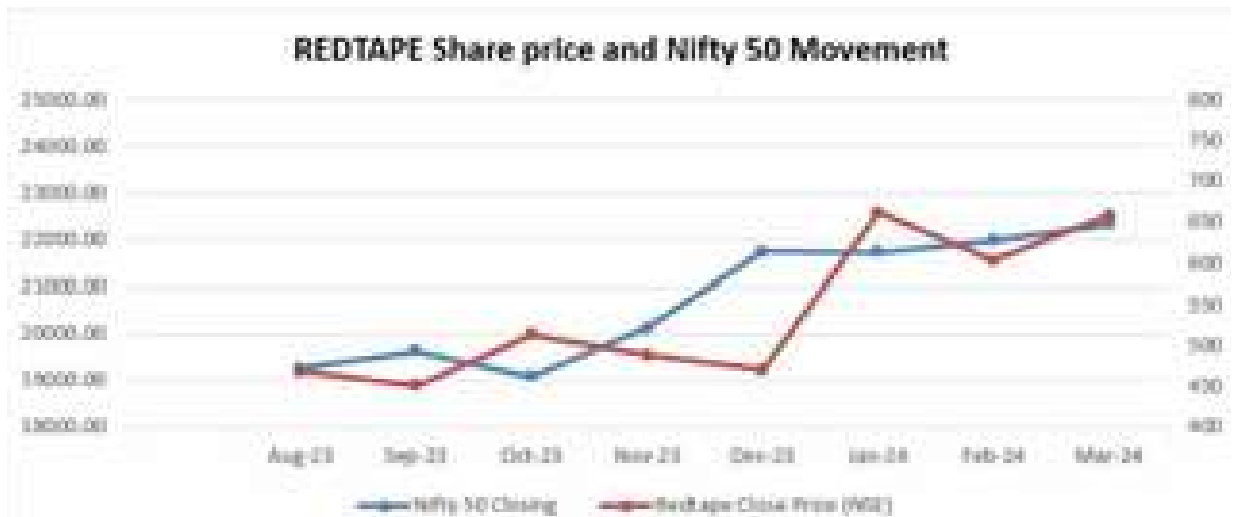
National Stock Exchange of India Limited : REDTAPE

ISIN for Dematerialization : INE0LXT01019

**(F) Market Price Data**

High, Low (based on daily closing prices) of equity shares traded during each month in FY 2024 on NSE and BSE:

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
August 2023	509	436.25	507.40	435.00
September 2023	471	411.05	471.00	410.55
October 2023	575	446.10	574.90	446.95
November 2023	567.70	444.15	566.85	444.20
December 2023	499.90	437.05	504.85	437.70
January 2024	672.45	465.10	672.00	465.35
February 2024	664.55	593.20	664.95	593.05
March 2024	687.45	536.10	684.85	537.05

**(G) Comparison of Company's share price with the broad-based indices viz. NSE Nifty & BSE Sensex.**


**(H) Registrar and Transfer Agents**

M/s KFin Technologies Limited (formerly KFin Technologies Private Limited) is the Registrar and Share Transfer Agents (RTA) of the Company for handling the share related matters, both in physical and the dematerialized mode.s

Name and Address:

**M/s. KFin Technologies Limited**

Selenium Building, Tower B, Plot No.31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad, Rangareddi,  
Telangana, India - 500 032

Telephone No: +91 40 6716 2222

E-mail: einward.ris@kfintech.com

Website: <https://www.kfintech.com/>

**(I) Share Transfer System**

The Board has delegated the authority for share transfers, transmissions, remat/demat of shares/sub-division/ consolidation/ issue of renewed and duplicate share certificates etc. to the board constituted Stakeholders' Relationship Committee. For any such action a request is to be made to the RTA, which after scrutinizing all such requests, forwards it for approval by the Stakeholders' Relationship Committee.

**(J) i) Distribution of equity shareholding as on March 31, 2024**

Sl. No.	Number of Shares	No. of holders	% to total no. of holders	Number of Shares	% to Number of Shares
1.	1 - 5000	57346	99.08	11970604	8.66
2.	5001 - 10000	292	0.50	2138603	1.55
3.	10001 - 20000	120	0.21	1689784	1.22
4.	20001 - 30000	31	0.05	782824	0.57
5.	30001 - 40000	23	0.04	774407	0.56
6.	40001 - 50000	14	0.02	642401	0.46
7.	50001 - 100000	22	0.04	1593014	1.15
8.	100001 and above	32	0.06	118610263	85.82
	<b>TOTAL:</b>	<b>57880</b>	<b>100.00</b>	<b>138201900</b>	<b>100.00</b>

**ii) Equity Shareholding pattern as on March 31, 2024.**

Sl. No.	Category	No. of Shares	% holding
1.	Promoters and Promoters Group	9,91,78,541	71.76
2.	Alternate Investment Funds/ Banks/ Mutual Funds	1,08,63,633	7.86
3.	Foreign Portfolio Investors	42,90,316	3.10
4.	NBFCs Registered with RBI	7,000	0.01
5.	Bodies Corporate	24,65,350	1.78
6.	Key Managerial Personnel	2,000	0.00
7.	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	15,03,320	1.09
8.	Investor Education and Protection Fund (IEPF)	4,76,921	0.35
9.	Indian Public	1,79,03,491	12.96
10.	NRIs	10,07,942	0.73
11.	Clearing Members	1,411	0.00
12.	Others	5,01,975	0.36
	<b>Total</b>	<b>13,82,01,900</b>	<b>100.00</b>

**(K) Dematerialization of shares and liquidity**

Equity Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on March 31, 2024, 99.73 % Equity shares of the Company representing 13,78,18,863 were held in dematerialized form.

**(L) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2024, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**(M) Commodity price risk or foreign exchange risk and hedging activities**

During the Financial Year 2023-24, the Company neither had any exposure to commodity price risks nor had any foreign exchange exposure by way of foreign currency borrowings. However, the company has a policy to manage import procurements by continuous monitoring of foreign exchange market and hedging through a combination of forward contracts, principal only swaps, interest rate swaps and / or cross currency swaps, if required.

**(N) Plant Locations – Bulk land, UPSIDC Industrial Area, Site II, Unnao – 209 801 Uttar Pradesh.**

**(O) Address for Correspondence**

**a. Registered Office:**

Plot No. 08, Sector 90, Gautam Buddha Nagar, Noida-201 301, Uttar Pradesh  
 Email: compliance@redtapeindia.com  
 Tel/Fax: 0120-6994444,  
 Website: www.redtape.com

**b. Corporate Office:**

Same as the registered office of the Company as mentioned above.

**(P) Profiles of the directors seeking appointment/re-appointment have been captured in the Notice convening the Third Annual General Meeting.**

**(Q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.**

During the Financial Year 2023-24, the Company received the credit rating from CRISIL for the Bank loan facility. The same was also intimated to Both the Stock Exchange i.e. BSE Limited and National Stock Exchange of India on dated September 7, 2023.

The detail of the credit rating is hereunder:

Total Bank Loan Facilities Rated	INR 240 Crore
Long Term Rating	CRISIL A/Stable (Assigned)

**(R) Details of utilization of funds raised through preferential allotment or qualified institutions placement**

During the Financial Year 2023-24, the Company had not raised any funds through preferential allotment or qualified institutions placement.

**(S) Fees paid to Statutory Auditors**

The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by Statutory auditors and its affiliates entities, is given below:

Particulars	Amount (₹ in Lakhs)
Statutory Audit Fees	28
Tax Audit	4
<b>Total</b>	<b>32</b>

**8. COMPLIANCE CERTIFICATE(S) FROM THE PRACTICING COMPANY SECRETARY**

Certificate(s) from a Practicing Company Secretary certifying: (a) the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule-V of the SEBI LODR; and (b) confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Companies by SEBI/Ministry of Corporate Affairs or any such statutory Authority are annexed to and forms part of this Report. Certificate with this regard are Annexed as Annexure - III and Annexure - IV

**9. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Particulars	Number
Number of complaints filed during the FY 2023-24	0
Number of complaints disposed during the FY 2023-24	0
Number of complaints pending as on end of the financial FY 2023-24	0

## 10. OTHER DISCLOSURES

### i) Subsidiary Companies

The Company has formulated a Policy for determining material subsidiaries, pursuant to the provisions of the SEBI LODR which is available on the website of the Company, at web-link: [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Policy-for-determination-of-materiality.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Policy-for-determination-of-materiality.pdf). Each quarter, the Audit Committee reviews the performance and unaudited/audited financial statements of subsidiary companies. The minutes of the board meetings of the unlisted subsidiary companies of the Company and significant transactions and arrangements entered into by all the unlisted subsidiary companies are placed before the board on a quarterly basis. The Board is periodically apprised of the performance of key subsidiary companies, including material developments.

As on March 31, 2024, the Company had 2 subsidiaries Companies i.e. REDTAPE Bangla Limited (Formally Mirza Bangla Limited) and REDTAPE HK Limited. And 2 step down subsidiaries i.e. REDTAPE (QUANZHOU) SPORTS GOODS CO. LTD and REDTAPE LONDON LTD.

### ii) Related Party Transactions

During the year, no materially significant related party transaction was entered into by the Company with its Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large. The Policy on materiality of Related Party Transactions and also on dealing with such transactions is available on the website of the Company, at web-link: [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Related-Party-Transaction-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Related-Party-Transaction-Policy.pdf).

### iii) Managing Director / Chief Financial Officer Certification

- (a) The Managing Director and Chief Financial Officer have issued certificate pursuant to the Regulation 33(2)(a) of SEBI LODR, certifying that the financial statements do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
- (b) The Managing Director and Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) read with Part-B of Schedule-II

of the SEBI LODR certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

### iv) (a) Code of Conduct and Ethics

The Company has laid down a Code of Conduct and Ethics (the "Code") for the Board Members and Senior Management personnel of the Company. The Code is available on the website of the Company: [https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Code-of-Conduct-Directors-SMPs.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Code-of-Conduct-Directors-SMPs.pdf).

All Board Members and Senior Management personnel have affirmed compliance with the Code. A declaration signed by the Managing Director to this effect is enclosed at the end of this Report attached as Annexure I

The Code seeks to ensure that the Board Members and Senior Management personnel observe a total commitment to their duties and responsibilities while ensuring complete adherence with the applicable statutes along with business values and ethics. the declaration by the CFO and Managing Director is attached as Annexure - II

### (b) Code of Conduct for Prevention of Insider Trading

The Company has laid down a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trading in securities of the Company by its directors, designated persons and employees.

### v) Whistle Blower Policy

The Company is committed to adhering to the highest standards of ethical, moral and legal conduct in its business operations. To maintain these standards, the Company has implemented the Whistle Blower Policy ('the Policy'), to provide an avenue for employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy applies to all employees working for the Company and its subsidiaries. Pursuant to the Policy, the whistle blowers can raise concerns relating to matters such as breach of

Company's Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, misappropriation of Company's funds / assets etc. A whistleblowing or reporting mechanism, as set out in the Policy, invites all employees to act responsibly to uphold the reputation of the Company and its subsidiaries. The Policy aims to ensure that serious concerns are properly raised and addressed and are recognized as an enabling factor in administering good governance practices. The details of the Whistle Blower Policy are available on the website of the Company: [www.https://about.redtape.com/assets/investor-pdf/code\\_of\\_conducts\\_and\\_policies/Vigil-Mechanism-Policy.pdf](https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf). The Audit committee set by the Board, constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

**vj) Strictures and penalties**

During the last three financial years, there has not been any instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty has been imposed on the Company or no strictures have been passed against it, by SEBI or Exchanges or any other statutory authorities on any such.

**vii) Details of compliance with mandatory requirements and adoption of the discretionary requirements of SEBI LODR.**

The Company has complied with all the mandatory requirements of the SEBI LODR in letter as well as in spirit. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the discretionary requirements is given later in this Report.

## **11. DISCRETIONARY REQUIREMENTS**

**(A) Unmodified Opinion in Audit Report**

The Auditors' Report on the annual accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors qualifying their report as to the audited accounts.

**(B) Shareholders Rights**

The Company would be getting its quarterly/half yearly and annual financial results published in leading newspapers with wide circulation across the country and regularly update the same on its public domain website. In view of the same individual communication of quarterly / annual financial results to the shareholders will not be made. Further, information per training to important developments in the Company shall be brought to the knowledge of the public at large and to the shareholders of the Company in particular, through communications sent to the stock exchanges where the shares of the Company are listed, through press releases in leading newspapers and through regular uploads made on the Company website.

**(C) Reporting of Internal Auditor**

The Internal Auditor of the Company reports to the Audit Committee and the Board of Directors of the Company.

Except as set out above, the Company has not adopted the discretionary requirements as to any of the other matters recommended under Part E of Schedule II of Regulation 27(1) of SEBI LODR. The Board, at every meeting, elect any one of the directors present at the meeting, as Chairman.

## **12. UNCLAIMED SHARES LYING IN DEMAT SUSPENSE ACCOUNT**

Pursuant to the Scheme, the Company had allotted 1 (one) Equity Share of Rs. 2 each, credited as fully paid up, to the shareholders of the Mirza International Ltd for every 1 (one) Equity Share of Rs. 2 each held in Mirza International Ltd on March 31, 2023. In this respect, there were shareholders to whom electronic credit for shares were rejected and therefore the Company had not issued physical share certificates but transferred the same to the Unclaimed Securities - Suspense Escrow Account. The details of the shares in Unclaimed Securities - Suspense Escrow Account of the Company are as below:

- A) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: 14 shareholders and 16561 number of equity shares
- B) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: 1 Shareholders
- C) Number of shareholders to whom shares were transferred from suspense account during the year: 1 Shareholders

- D) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: 13 shareholders and 15611 number of equity shares
- E) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### 13. Agreements Specified under Regulation 30A of SEBI LODR

Except as mentioned in Annexure(s) to Directors' Report forming part of Annual Report, there are no such subsisting agreements as specified under Regulation 30A read with clause 5A of paragraph A of Part A of Schedule III of SEBI LODR.

### 14. Senior Management

Particulars of senior management including the changes during the FY 2023-24 are as follows:

Mrs. Nandita Singh, Company Secretary and KMP resigned from her office w.e.f. 17<sup>th</sup> July, 2023, and the Board has appointed Mr. Nand Kishore Sharma, Company Secretary and KMP of the Company w.e.f. 22<sup>nd</sup> July, 2023.

Thereafter, Mr. Nand Kishore Sharma, Company Secretary and KMP resigned from his office w.e.f. 1<sup>st</sup> September 2023 and the Board appointed Mrs. Sakshi Mehta, Company Secretary and KMP of the Company w.e.f. 1<sup>st</sup> September 2023.

Furthermore, Mrs. Sakshi Mehta, Company Secretary and KMP resigned from her office w.e.f. 7<sup>th</sup> October 2023, and the Board has appointed Mr. Akhilendra Bahadur Singh as Company Secretary and KMP of the Company w.e.f. December 8, 2023 in her place.

**Annexure I****DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

To,  
The Members  
**REDTAPE Limited,**

I hereby confirm that in pursuant to Regulation 34(3) read with Schedule-V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board and Senior Management Personnel in respect of the Financial Year ended 31<sup>st</sup> March 2024.

Place: Noida  
Date: August 28, 2024

**Shuja Mirza**  
Managing Director

## Annexure II

**Certification by Managing Director and Chief Financial Officer**

[Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
**REDTAPE Limited**  
Plot No. 08, Sector 90,  
Gautam Buddha Nagar,  
Noida-201301, UP

As stipulated under Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March 2024 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- There have been no significant changes in internal control over financial reporting during the year ended 31<sup>st</sup> March 2024
  - There have been no significant changes in accounting policies during the year ended 31<sup>st</sup> March 2024 and that the same have been disclosed in the notes to the financial statements; and
  - There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **REDTAPE Limited**

**Shuja Mirza**  
Managing Director  
(DIN: 01453110)

**Abhinav Jain**  
Chief Financial Officer

Place: Noida  
Date: August 28, 2024



**Annexure III****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**REDTAPE Limited**  
Plot No. 08, Sector 90,  
Gautam Buddha Nagar,  
Noida-201301, UP

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of REDTAPE Limited having CIN L74101UP2021PLC156659 and having registered office at Plot No. 08 Sector 90, Gautam Buddha Nagar, Noida, Uttar Pradesh, India 201301 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), as amended Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in the Company*</b>
1.	Mr. Rashid Ahmed Mirza	00049009	08/12/2021
2.	Mr. Shuja Mirza	01453110	08/12/2021
3.	Mr. Arvind Verma	09429834	08/12/2021
4.	Mr. Sanjay Bhalla	00699901	10/12/2021
5.	Mr. Subhash Chander Sapra	00049243	07/04/2023
6.	Dr. Yashvir Singh	00049360	07/04/2023
7.	Dr. Rajshree Saxena	09784592	07/04/2023
8.	Ms. Sunanda	10243709	01/08/2023

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mallika & Co.**  
Company Secretaries  
UIN: S2023DE919900

**Mallika Goel**  
Proprietor  
FCS: 11658; COP: 23020  
UIN: S2023DE919900  
Peer Review Certificate Number: 3465/2023  
UDIN: F011658F000921380

Date: 7<sup>th</sup> August, 2024  
Place: Delhi

## Annexure IV

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE**

To,  
The Members of  
**REDTAPE Limited**  
Plot 08, Sector 90  
Noida 201301, Uttar Pradesh

We have examined the compliance of conditions of Corporate Governance by REDTAPE Limited (“the Company”), for the year ended March 31, 2024, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”).

We state that the compliance of conditions of Corporate Governance is the responsibility of the Company’s management and, our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended March 31, 2024.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mallika & Co.**  
Company Secretaries  
UIN: S2023DE919900

**Mallika Goel**  
Proprietor  
FCS: 11658; COP: 23020  
UIN: S2023DE919900

Peer Review Certificate Number: 3465/2023  
UDIN: F011658F000921567

Date: 7<sup>th</sup> August, 2024  
Place: Delhi

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	:	L74101UP2021PLC156659
2.	Name of the Listed Entity	:	REDTAPE Limited
3.	Year of incorporation	:	2021
4.	Registered office address	:	Plot No. 08, Sector -90, Gautam Buddha Nagar, Noida, U.P- 201301
5.	Corporate address	:	Plot No. 08, Sector -90, Gautam Buddha Nagar, Noida, U.P- 201301
6.	E-mail	:	compliance@redtapeindia.com
7.	Telephone	:	+91 120 6994444 / +91 120 6994400
8.	Website	:	www.redtape.com
9.	Financial year for which reporting is being done	:	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	:	a). National Stock Exchange of India Limited. & b) BSE Limited
11.	Paid-up Capital	:	₹ 27,65,03,800
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	Mr. Akhilendra Bahadur Singh (Company Secretary & Compliance officer) Telephone No. +91 120 6994444 / +91 120 6994400 Email Id: compliance@redtapeindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	:	Disclosures made in this report are on a standalone basis, unless otherwise stated.
14.	Whether the company has undertaken reasonable assurance of the BRSR core	:	No

### II. Products/ services

#### 15. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover (Total Income) of the entity
1	Trading & Export of Footwear, Garments & Accessories	Retail Sale, Online Market Place Sales, Distribution Sales, Export Sales of Footwear, Garments & Accessories	100%

**16. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Fashion Footwear,	47713	59%
2	Garments & Accessories	47711	41%

**I. Operations****17. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	1	1	428 (including refinishing & Packaging Units & 423 retails store respectively)
International	-	-	-

**18. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States)	23
International (No. of Countries)	-

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

0.20% (Approx)

**c. A brief on types of customers**

REDTAPE Limited is involved in manufacturing and marketing of sports, athleisure footwear & having numerous ranges of Garments & accessories. These are sold to end consumers via e-commerce and exclusive retail showrooms pan India. Having diverse brand portfolio at straddling price points, enabling it to operate across the economy, mid and premium segments. This ability to serve across age groups, occasions and segments increases customer loyalty and the Company's addressable market, which ultimately makes it one-stop fashion retailers.

Further the Company's wide suite of products enables it to cater to footwear needs for both casual and formal occasions.

Above mentioned products are also made available directly through online shopping platforms (online shopping portals), the Company's website (E-commerce), Company Stores (exclusive brand outlets) across Tier 1, Tier 2 and Tier 3 cities.

**II. Employees****19. Details as at the end of Financial Year****a. Employees and workers (including differently abled):**

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	372	319	85.75%	53	14.25%
2.	Other than Permanent (E)	82	61	74.39%	21	25.61%
3.	Total employees (D + E)	454	380	83.70%	74	16.30%
<b>WORKERS</b>						
4.	Permanent (F)	413	413	100%	0	0.00%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%
6.	Total workers (F + G)	413	413	100%	0	0.00%

**b. Differently abled Employees and workers:**

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	N/A	N/A	N/A	N/A	N/A
2.	Other than Permanent (E)	N/A	N/A	N/A	N/A	N/A
3.	Total differently abled employees (D + E)	N/A	N/A	N/A	N/A	N/A
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	N/A	N/A	N/A	N/A	N/A
5.	Other than permanent (G)	N/A	N/A	N/A	N/A	N/A
6.	Total differently abled workers (F + G)	N/A	N/A	N/A	N/A	N/A

**20. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.00%
Key Management Personnel	6	1	16.67%

**21. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in previous FY)			FY 2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.50%	3.40%	16.90%	10.80%	2.20%	13.00%	N/A	N/A	N/A
Permanent Workers	13.50%	3.40%	16.90%	10.80%	2.20%	13.00%	N/A	N/A	N/A

**III. Holding, Subsidiary and Associate Companies (including joint ventures)**
**22. (a) Names of Holding / Subsidiary / Associate companies / Joint ventures as at March 31, 2024**

Sr. No.	Name of the Holding/Subsidiary / Associate companies/ Joint ventures(A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity
1.	REDTAPE Bangla Limited	Subsidiary	100%
2.	REDTAPE HK Limited	Subsidiary	100%
3.	REDTAPE London Limited	Step down subsidiary- Subsidiary of REDTAPE HK Limited	100%
4.	REDTAPE (Quanzhou) Sports Goods Co. Limited	Step down subsidiary - Subsidiary of REDTAPE HK Limited	100%

Does the entities indicated in the above table participate in the Business Responsibility initiatives of the entity? (Yes/ No)

No

#### IV. CSR Details

23. I. Whether CSR is applicable as per section 135 of Companies Act, 2013 : Yes  
 II. Turnover: ₹ 1831.87 Crores  
 III. Net worth: ₹ 632.17 Crores

#### V. Transparency and Disclosures Compliances

##### 24. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, The Company has both formal and informal channels for the Stakeholders via emails, website of the Company, intimations to Stock Exchanges, for of engaging with the communities. The Company is having dedicated email ids for grievances : <a href="mailto:customercare@redtapeindia.com">customercare@redtapeindia.com</a> & <a href="mailto:compliance@redtapeindia.com">compliance@redtapeindia.com</a>  <a href="https://about.redtape.com/overview.php">https://about.redtape.com/overview.php</a>	-	-	-	-	-	-
Investors (other than shareholders)	Investor can raise their grievances by writing email to <a href="mailto:compliance@redtapeindia.com">compliance@redtapeindia.com</a> & <a href="mailto:customercare@redtapeindia.com">customercare@redtapeindia.com</a> <a href="https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf">https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf</a>	-	-	-	-	-	-
Shareholders	The Company has provided dedicated email id for raising their concern i.e. <a href="mailto:compliance@redtapeindia.com">compliance@redtapeindia.com</a>  Further, Shareholder may visit below link to connect with the company.  <a href="https://about.redtape.com/">https://about.redtape.com/</a>	147	147	-	Nil	Nil	-
Employees and workers	All employees & workers grievances are addressed appropriately via various channel available in the Company.  <a href="https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Policy-on-Prevention-Prohibition-Redressal-of-Sexual-Harassment-at-the-Workplace.pdf">https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Policy-on-Prevention-Prohibition-Redressal-of-Sexual-Harassment-at-the-Workplace.pdf</a>  <a href="https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf">https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf</a>	-	-	-	-	-	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Customers satisfaction is apex motto of the Company. For raising the customer concern, we have dedicated email id i.e. <a href="mailto:customercare@redtapeindia.com">customercare@redtapeindia.com</a>  <a href="https://www.redtape.com/pages/contact">https://www.redtape.com/pages/contact</a>	14724	Nil	-	10886	-	-
Value Chain Partners	Purchase Orders/ Contracts provide dispute resolution mechanism, which stipulates meeting between higher management teams of both sides to resolve the dispute or devise the new strategy for upcoming new challenges.  <a href="https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf">https://about.redtape.com/assets/investor-pdf/code_of_conducts_and_policies/Vigil-Mechanism-Policy.pdf</a>	Nil	Nil	-	Nil	Nil	-

25. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Corporate Governance	Opportunity	Organisations with good corporate governance are seen as stable, reliable, and capable of mitigating potential risks. Board has been strengthened through introductions of experienced directors. 50% of the Board comprises of Independent Directors. All key board committees are chaired by Independent Directors.	N.A	Positive: Experienced Board and transparency of operations will increase confidence in investors and other stakeholders.
2	CSR activities	Opportunity	Investing in CSR activities, and diligently conducting the same on periodic basis have a number of advantages including increased brand recognition, positive company reputation, accelerated growth, competitive advantage over peers etc.	CSR Activities were aimed towards benefiting underprivileged communities. Medical help for eye care, promoting education of Underprivileged Kids, promoting skills & availing of initiatives for adoption of Heritage Monuments.	Positive: Funding and implementing CSR activities creates a positive brand value for the company.  Upliftment of the Community through various initiatives in underprivileged areas towards their health, education etc helps in positive social development.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Human Capital	Opportunity	Contended human capital would lead to increased productivity and in-turn profitability for business.	NA	Positive: With optimum investment in human capital, the company increases its chances of success and sustainable growth year-on-year. It also improves efficiency because the system places employees in roles where they can perform at their best.
4	Customer Satisfaction	Risk and Opportunity	Opportunities: A 'customer first' is at the core of REDTAPE Limited's operations. Along with focus on customer experience, REDTAPE Ltd also strive to ensure transparency in its operations and communication. RISK: An unpleasant customer experience could result in losing customers or even damaging the Company's reputation.	All customer Complaints received across all channels are managed through a centralised c o m p l a i n t s management system for tracking and timely resolution. We continue to take steps to ensure customer satisfaction.	Positive: Satisfied customer lower the churn rate, and increases the brand image and loyalty. Our goal is to provide hassle-free and smooth service experience to our valued customers.
5	Ethical Business Consult	Risk	Unethical conduct by the Company and its representatives may result in the loss of reputation and invite concerns from the stakeholders.	The Company shall ensure that its representatives adhere to Corporate Governance norms and the Code of Conduct. It may undertake due diligence / audit to identify cases of misconduct / breach and take necessary actions.	Negative
6	Saving of Electricity at our UNIT-5 (refinishing & Packaging Unit)situated at installing Solar Power with 2179 kWp Capacity	Opportunity	Opportunity : Saving of cost and Conservation of natural resources.	NA	Cost efficient (positive implication)



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adopt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Regulatory and legal compliances	Risk	Risk: Compliance with Statutory and regulatory requirements requires awareness and training at all levels of the organization.	We have our policies in place related to code of conduct, and whistle blower. We have also provided an online platform for consumers to register their complaints, so as to have better customer relations and avoid any unnecessary legal consumer hassles.	Negative: Noncompliance would lead to loss of reputation and consequently affect the business activities. Companies who are compliant with the regulatory laws have a better ability to manage risks and builds a better sense of fairness and loyalty among stakeholders.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/ No]	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes. The policy has been approved by the Board.								
c. Web Link of the Policies, if available	The policies which are mandatorily required to be uploaded on the website of the Company have been uploaded on <a href="https://about.redtape.com/code-of-conducts-and-policies.php">https://about.redtape.com/code-of-conducts-and-policies.php</a> under the tab "Investor Relations > Code of Conducts & Policies".								
2. Whether the entity has translated the policy into procedures? (Yes / No)	Yes, applicable policies are imbibed into procedures and practices in all spheres of company's activities it undertakes.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. The Company focuses on Corporate Governance. The Board of Directors of the Company have adopted various Policies, which are available on our website such as Code of Conduct, Whistle Blower Policy, and Occupational Safety Health and Wellbeing Policy. These policies are applicable to various parties such as the Board of Directors and SMP, employees, business associates and suppliers, agent, distributor, or joint venture partner, etc.								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies generally comply with the basic laws of the nation, general business standards, fair trade practices and good corporate governance. Our major suppliers have been issued Bureau of Indian Standards (BIS) number, as mandated by Govt. of India, Ministry of Consumer Affairs, Food & Public Distribution, Government of India & also we are giving herculean efforts for availing the same from other foreign and domestic supplier.								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	The Company is working towards various goals and objectives, including embedding sustainability into all its operations to contribute towards a healthier planet. In this regards Company is continuing its efforts for more plantation at it's premises and out of premises, initiated it's for adoption of Historical monuments under Adopt Heritage scheme of Archeological Survey of India (ASI), skilling youth of India by availing National Apprentice Promotion Scheme (NAPS) . The Board's Report, which forms part of this Annual Report, contains further information in this regard.								
<b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>	As part of the roadmap to achieve the goals and objectives, the Company has laid down activities which will aid in progress and ultimately achieving the commitment. The Board's Report, which forms part of this Annual Report, contains further information in this regard.								
<b>Governance, leadership and oversight:</b>									
<b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</b>	<p>The Company believes that sustainability goals are part and parcel of its financial goals, and the Company has, accordingly, already integrated ESG considerations into its business decisions and operations. The Company has set up solar power plants, not only doing massive plantation drives but also maintaining and caring for the plants at regular intervals. The Company believes in the spirit of giving back to society. One of the key features of CSR projects undertaken by the Company is to focus on our stakeholders based on participatory and collaborative approach to empower the communities and protect the environment around.</p> <p>In addition, the Company's Secretarial team monitors ESG-related factors in the Company on issues such as managerial remuneration, dividend distribution policy, code of conduct and other policies, Related Party Transactions, amongst others.</p>								
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	The Board of Directors of the Company, assisted by Risk Management & CSR Committee, is the highest authority, responsible for implementation and oversight of the Business Responsibility policies. The Board ensures that the Company has a clear vision, mission and goals to fulfil and exceed the expectations of its stakeholders and create stakeholders' value in a sustainable and prosperous manner. The CSR Committee is designated to take decisions on ESG / Sustainability related matters. The Committee also oversees the preparation, implementation and reporting of ESG, Sustainability and Conducting Business in a responsible manner.								
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	<p>Yes.</p> <p>The CSR Committee is designated to take decisions on ESG / Sustainability related matters. The Committee also oversees the preparation, implementation and reporting of ESG, Sustainability and Conducting Business in a responsible manner.</p>								

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
			1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8
Performance against above policies and follow up action	Relevant policies of the Company are reviewed by the Department Heads or Business Heads, which is further recommended to the Board and its Committees on a need basis, if any.	as per Statutory Requirement																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with statutory requirements as applicable																		

<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Ankur Goel ,Advocate, Ramanil Ankur & Associates, assess/evaluate the working of Company Policies.								

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**Essential Indicators**
**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors/	6	1) Related party Transition, 2) Health & Safety Practices, 3) Regulatory Changes and Impact, 4) POSH Awareness 5) Environmental, Social and Governance 6) Vigil Mechanism & Whistle Blower Policy	100%

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Key Managerial Personnel (KMP)	7	<ol style="list-style-type: none"> <li>1) Health, Safety and Well Being Practices</li> <li>2) SAP.</li> <li>3) POSH Awareness;</li> <li>4) Vigil Mechanism &amp; Whistle Blower Policy.</li> <li>5) Environmental, Social and Governance;</li> <li>6) National Apprentice Promotion Scheme (NAPS)</li> <li>7) National Apprenticeship Training Scheme (NATS)</li> </ol>	90%
Employees Other than Board of Directors of KMPs	9	<ol style="list-style-type: none"> <li>1) HR Orientation &amp; induction</li> <li>2) SAP</li> <li>3) POSH Awareness</li> <li>4) Health, Safety and Well Being Practices</li> <li>5) National Apprentice Promotion Scheme (NAPS)</li> <li>6) Product Training,</li> <li>7) Vigil Mechanism &amp; Whistle Blower Policy</li> <li>8) Energy Conservation</li> <li>9) Skill Development</li> <li>10) Grooming</li> <li>11) Soft Skills training</li> </ol>	65%
Workers	18	<ol style="list-style-type: none"> <li>1) Fire &amp; safety</li> <li>2) Skill development</li> <li>3) Product training, etc.</li> <li>4) Skill development</li> <li>5) Production related technical training</li> <li>6) Health safety and well being practices</li> <li>7) Electrical safety and conservation</li> <li>8) POSH Awareness</li> </ol>	70%

- 18\* are number of training sessions

- \* Number of Directors/ KMPs/ Employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption. NIL

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure regulations) Regulations, 2015 and as disclosed on the entity's website):

NGBRC Principle	Name of Regulatory/ enforcement agencies/ judicial institutions	Amount (Rs.)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Peanly/ Fine		Nil		
Settlement		Nil		
Compounding Fee		Nil		
Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment		NIL		
Punishment		NIL		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non- monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web- link to the policy.

Yes, Anti-Corruption / Anti -Bribery policy is available in the Company for its employee, available on its intranet. It ensure Compliance with legislation related bribery and corruption at a global level. It underscores the Company's unwavering commitment to zero tolerance towards bribery and corruption. Other policies pertaining to Health Safety, Code of Conduct, POSH etc. are available on <https://about.redtape.com/code-of-conducts-and-policies.php>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Directors		
KMPs		Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2024 (Current Financial Year)		FY 2023 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	--	--	--	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	--	--	--	--

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

**Leadership Indicators.**

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

The company got listed on 11 August 2023 on BSE Limited and National Stock Exchange Limited, whereas we came to know about the applicability of BRSR on March 31, 2024, after receiving notification from BSE limited and National Stock exchange limited, respectively. Thus, we have taken the initiative for involvement and guidance to value chain partner for FY 2024-25. Whereas, for the FY 2023-24 we sensitized the value chain partners, as and when required.

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes, the Company has a Policy on related party transactions to identify actual or potential conflict of interest of the Company with its related parties, which may arise during the course of its business activities. The Board of Directors has adopted the said policy in its Board Meeting to mitigate and prevent conflicts of interest that may arise. In addition, the Company maintains the proper Register of Contracts in which Directors are interested and all the relevant details are captured in it.

**PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY (2023-24)	PY (2022-23)	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	None
Capex	2.40%	4.95%	Solar Electricity Plant

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

Yes, REDTAPE believe in improving life by taking various measures. The company is keen on incorporating sustainability practices in its daily activities, which also include sourcing its raw materials responsibly. The Company has also established an internal mechanism for the continual improvement process towards sustainable excellence and has taken adequate steps for safe transportation, which improves the manufacturing system of the Company. We are also working on finding ways of using more sustainable ways of doing business operation, as much as we can.

- b. **If yes, what percentage of inputs were sourced sustainably?**

The Company is doing its business or sale activity maximum by e-commerce. Therefore, Company employs extensive use of technology in its business so it promote to reduce consumption of paper and thus conserve the energy further, as a responsible Corporate Citizen, the supplies/ vendors are being encouraged to meet the various with the Environment, Society and Governance (ESG) expectations.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

- a) **Plastic:** we don't manufacture plastic. The imported garments are packed in plastic by a supplier, procured and sold to end user customer through retail sales. We have nothing to submit to Pollution Control Board (PCB) as we don't manufacture. However, we file return (annual purchase of goods) through Bill of Entry to Extended Producer Responsibility (EPR) authority.
- b) **E-waste:** To discuss, Company is not doing any activity, which cause e-waste disposal. But if there is disposal then it is in accordance with the provisions of E-waste management act and rules.
- c) **hazardous waste:** No such activity is undertaken.
- d) **other waste:** Not Applicable

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable, we don't manufacture plastic. The imported garments are packed in plastic by a supplier, procured and sold to end user customers through retail sales. We have nothing to submit anything to Pollution Contril Board (PCB) as we don't manufacture however, we file return (annual purchase of goods) through BoE to EPR authority.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:

Not Applicable.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Given the nature of our business, the above is not applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to the material	
	Current Financial year	Previous Financial year
Sole	-	-
EVA	10%	10%
TPR /TPU	6%	6%
Packaging	0	0

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format.

Not applicable.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Not applicable

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No.(B)	% (B/A)	No.(C)	% (C/A)	No.(D)	% (D/A)	No.(E)	% (E/A)	No.(F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	319	319	100.00%	319	100.00%	-	-	-	-	-	-
Female	53	53	100.00%	53	100.00%	1	1.89%	-	-	-	-
<b>Total</b>	<b>372</b>	<b>372</b>	<b>100.00%</b>	<b>372</b>	<b>100.00%</b>	<b>1</b>	<b>0.27%</b>	-	-	-	-
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	61	10	16.39%	61	100.00%	-	-	-	-	-	-
Female	21	3	14.29%	21	100.00%	-	-	-	-	-	-
<b>Total</b>	<b>82</b>	<b>13</b>	<b>15.85%</b>	<b>82</b>	<b>100.00%</b>	-	-	-	-	-	-

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No.(B)	% (B/A)	No.(C)	% (C/A)	No.(D)	% (D/A)	No.(E)	% (E/A)	No.(F)	% (F/A)
<b>PERMANENT WORKERS</b>											
Male	413	413	100.00%	413	100.00%	-	-	-	-	-	-
Female			-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>413</b>	<b>413</b>	<b>100.00%</b>	<b>413</b>	<b>100.00%</b>	-	-	-	-	-	-
<b>OTHER THAN PERMANENT WORKERS</b>											
Male	0	-	-	-	-	-	-	-	-	-	-
Female	0	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-

**2. Details of retirement benefits for the current and previous financial year**

Benefits	FY24		FY23	
	No. of employees covered as a % of total employees	Deducted and Deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and Deposited with the authority (Y/N/N.A.)*
PF	56.6%	Y	72%	Y
Gratuity	100%	NA	100%	NA
ESI	31.3%	Y	56.9%	Y
Superannuation	0.7%	NA	1.1%	NA

**3. Accessibility of workplaces**

Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the company facilitates a barrier-free environment by offering lifts, dedicated support staff, wheelchair-accessible features, and a suite of essential human support services to make its offices and premises accessible to all employees with disabilities.



**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web- link to the policy:**

Yes, the company adheres to a stringent Equal Employment Opportunity policy, which guarantees that all individuals receive fair treatment based on their competencies and expertise. Employment decisions are made solely on the basis of qualifications, with no consideration given to race, colour, religion, gender, sexual orientation, national origin, age, disability, marital or domestic partner status, or any other irrelevant criterion

**5. Return to work and retention rates of permanent employees and workers that took parental leave**

Gender	Permanent Employer FY2023-24		Permanent Employees FY2022-23	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	0.00%	0.00%	0.00%	0.00%
Female	0.00%	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

Permanent Employees	The Company has effective policies in place to receive, redress and monitor the grievances and concerns of employees /workers.
Other than permanent employees	The Company has adopted Whistle Blower policy to enable employees/ workers to raise a complaint in case of any concerns. The complaints can be made to the dedicated email id as given in the policies.
Permanent Workers	
Other than Permanent Workers	The Company has also adopted POSH Policy to deal with any and all allegations/complaint(s) of Sexual Harassment made by an Employee(s) against an Employee(s), irrespective of whether Sexual Harassment is alleged to have taken place within or outside the Company premises or against employees engaged through third party, business associates, suppliers vendors, customers visitors and any other related party.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: Not Applicable**

Category	FY 2024 (Current Financial Year)			FY 2023 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
TOTAL PERMANENT EMPLOYEES	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
TOTAL PERMANENT WORKERS	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

## 8. Details of training given to employees and workers:

Category	FY24					FY23				
	Total (A)	On health and safety/wellness measures		On skill upgradation		Total (A)	On health and safety / wellness measures		On skill upgradation	
	No. (B)	% (B/A)	No. (C)	% (C/A)	No. (B)	% (B/A)	No. (C)	% (C/A)		
<b>EMPLOYEES</b>										
Male	380	285	75%	190	50%	326	212	65.03%	147	45.09%
Female	74	44	59.46%	16	21.62%	50	26	52.00%	10	20.00%
<b>Total</b>	<b>454</b>	<b>329</b>	<b>72.47%</b>	<b>206</b>	<b>45.37%</b>	<b>376</b>	<b>238</b>	<b>63.30%</b>	<b>157</b>	<b>41.76%</b>
<b>WORKERS</b>										
Male	413	289	69.98%	413	100.00%	432	280	64.81%	432	100.00%
Female	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>413</b>	<b>289</b>	<b>69.98%</b>	<b>413</b>	<b>100.00%</b>	<b>432</b>	<b>280</b>	<b>64.81%</b>	<b>432</b>	<b>100.00%</b>

## 9. Details of performance and career development reviews of employees and workers:

Category	FY24			FY23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>EMPLOYEES</b>						
Male	380	380	100.00%	326	326	100.00%
Female	74	74	100.00%	50	50	100.00%
<b>Total</b>	<b>454</b>	<b>454</b>	<b>100.00%</b>	<b>376</b>	<b>376</b>	<b>100.00%</b>
<b>WORKERS</b>						
Male	413	413	100.00%	432	432	100.00%
Female	0	0	0	0	0	0
<b>Total</b>	<b>413</b>	<b>413</b>	<b>100.00%</b>	<b>432</b>	<b>432</b>	<b>100.00%</b>

## 10. Health and safety management system:

## a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the production unit(s) maintain a structured health and safety management system. The organization places significant emphasis on establishing a safe and healthy workplace environment, understanding its direct impact on employee well-being and overall operational performance through the adoption of industry-leading occupational health and safety practices. This strategic focus not only facilitates the recruitment of top talent but also enhances employee retention rates. Regular safety awareness training sessions are conducted for employees, accompanied by the timely distribution of essential work-related safety equipment. Policies devised by the HR department under the guidance of the Board members ensure robust safety protocols are consistently implemented.

To foster a culture of well-being, the company has established a strong reimbursement system tied to employees' Medclaim Policies, which covers medical expenses and associated healthcare costs. Additionally, we host regular health camps within our premises, allowing employees to access health services conveniently without any loss of salary, underscoring our commitment to their holistic welfare.

The company goes beyond standard medical benefits by acknowledging workplace risks with comprehensive accidental cover policies. Moreover, we have instituted a workmen compensation policy exclusively for our apprentices, demonstrating our commitment to their welfare.

## b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company is in the midst of creating and enhancing strong emergency control and prevention systems to avoid mishaps, injuries, and occupational illnesses. Furthermore, take initiatives to improve employee well-

being and healthcare on a consistent basis. There is a process for assessing risks and identifying hazards when using various equipment in day-to-day operations. This methodology includes machine manuals, observations of machine operation on the shop floor, injury records, interactions with machine workers, and so on. The mitigation plan comprises roles and duties, monitoring controls, competency training, and individual awareness of such tasks.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. The organization has a well-defined Standard Operating Procedure (SOP) for reporting, classifying, and evaluating health and safety challenges. As a preventative measure, the workforce has received the necessary training and awareness workshops to detect and report work-related dangers to the rightful manager inside the premises. As a system, all near misses, safety tips, unsafe acts, and situations are promptly documented, followed by timely corrective actions.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No):**

Yes .HR conducts periodic training on fostering good health and well-being.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY24	FY23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees/ workers	NIL	NIL
Total recordable work-related injuries			
No. of fatalities (safety incident)			
High consequence work-related injury or ill-health (excluding fatalities)			

**12. Describe the measures taken by the entity to ensure a safe and healthy work place: Please refer to point 10 (a), (b) & (c) above.**

Our employees' health and safety is of paramount importance. This is entrenched in one of our basic principles, "Step towards a better life at work". As a result, the Company ensures that its operations do not put its employees and workers in danger of occupational injuries. The policy applies to all operations, including employees and contractors. Proactive activities are regularly assessed at multiple levels to guarantee continuity, consistency, and effectiveness-

- Mock Fire Drills
- Mock Drills on emergency preparedness
- Safety Visual communications.
- POSH Awareness training
- Demonstration of safe machinery usage.

**13. Number of complaints on the following made by employees**

	FY24			FY23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health and safety	NIL	NIL	NIL	NIL	NIL	NIL

**14. Assessments for the year**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

We recognize the significance of genuine efforts to remove potentially detrimental workplace habits and practices. Our technologies continuously monitor, report, and avoid near-miss incidents. Each reported incidence (if any) is thoroughly evaluated in order to develop remedial and preventive actions, such as training and structural interventions, to avoid similar incidences from occurring in the future. Some near-miss events and first aid cases were investigated and resolved with the appropriate corrective and preventive steps.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)**

**(B) Workers (Y/N).**

Yes. Medical Insurance, Accidental Cover and workmen compensation Policy (For apprentice Only)

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The company got listed on 11 August 2023 on BSE Limited and National Stock Exchange Limited, whereas we came to know about the applicability of BRSR on March 31, 2024, after receiving notification from BSE limited and National Stock exchange limited, respectively. Thus, we have taken the initiative for involvement and guidance to value chain partner for FY 2024-25. Whereas, for the FY 2023-24 we sensitized the value chain partners, as and when required.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment:**

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24	FY23	FY24	FY23
Employees	Not applicable, since there was no work-related injuries			
Workers	Not applicable, since there was no work-related injuries			

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

No.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety	The Company expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions. The company has already developed the mechanism covering Health, safety and better working conditions for value chain partners.
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective action plan was necessary due to the absence of any significant risks / concerns.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company has various stakeholders, some internal and some external. The Company believes that key stakeholders identification helps in empowering people, achieving sustainable growth and building better relationships. The Company's key stakeholders include customers, employees, suppliers, investors, regulators and society at large.

**2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Key Stakeholders</b>	<b>Whether identified as Vulnerable &amp; Marginalised Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others</b>	<b>Frequency of engagement (Annually/Half yearly/ Quarterly/ others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Investors	No	SMS, Company website, Email, Annual General Meeting, Newspaper Publication, Notice Board, Stock exchanges, etc.	Quarterly- Financial statements, Earnings' calls, Stock exchange notifications, Press releases, Annual- Annual General Meeting, Annual Report	Educating the investors about Company's Business model and strategies/ helping investors to raise their concerns regarding Company's Policies, reporting, strategy, etc./ understanding shareholders' expectations/ statutory communication/ grievance redressal.
Government and Regulatory Bodies	No	Official communication channels, Mandatory Filings with various regulators, Regulatory inspections and audits.	As and when applicable	Discussions with regulatory bodies w.r.t. regulations, amendments, approvals and assessments.
Employees	No	Intranet, Closed group discussions, Structured and focused training programs , Efficient grievance redressal mechanism, Regular employee feedback surveys	As and when applicable	Key developments in the Company, Addressing employees' issues, talent management.
Customers	No	Company website, emails, phone calls, meetings surveys, web portals, newspapers	Need- Based, Real Time	To provide better service to customers and address their commercial and technical issues, to sync Company's plans with customer growth plans, respond to customer demands and expectations, improve customer experience, product and service quality.
Vendors	No	Vendor meets, virtual modes such as email, telephone and video conference	Need- Based, Real Time	The key areas of interest for the Vendors are: Timely payments, collaboration, Product Development and range presentations, sourcing and timely deliveries, innovations in the market.
Business Partners/ Associates	No	Vendor meets, virtual modes such as email, telephone and video conference	Need- Based, Real Time	The key areas of interest for the Vendors are: Timely payments, collaboration, Product Development and range presentations, sourcing and timely deliveries, innovations in the market.

## Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board of Directors (BOD) through its various committees obtains feedback as well as oversees the implementation of ESG initiatives and performance.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, with the help of the various inputs from the Board of Directors, social workers, employees and customers the company CSR team identifies the needy and underservice areas for initiating health or education or protection of monuments, enhancement of skills or education aids. This encourages the participation of stakeholders

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The CSR initiative of the company has helped children from economically challenged backgrounds to pursue higher education, and have successfully diagnosed and treated patients in under-privileged areas, under medical assistance. As a part of the company's CSR initiatives, beneficiaries include economically vulnerable, underprivileged and socially marginalized populations.

## PRINCIPLE 5 Businesses should respect and promote human rights Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY24			FY23		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	372	372	100.00%	317	317	100.00%
Other than permanent	82	82	100.00%	59	59	100.00%
<b>Total Employees</b>	<b>454</b>	<b>454</b>	<b>100.00%</b>	<b>376</b>	<b>376</b>	<b>100.00%</b>
<b>WORKERS</b>						
Permanent	413	413	100.00%	387	387	100.00%
Other than permanent	0	0	0	45	45	100.00%
<b>Total Employees</b>	<b>413</b>	<b>413</b>	<b>100.00%</b>	<b>432</b>	<b>432</b>	<b>100.00%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY24					FY23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
Permanent	372	0	0.00%	372	100%	317	0	0.00%	317	100%
Male	319	0	0.00%	319	100%	276	0	0.00%	276	100%
Female	53	0	0.00%	53	100%	41	0	0.00%	41	100%
Other than Permanent	82	0	0.00%	82	100%	59	0	0.00%	59	100%
Male	61	0	0.00%	61	100%	50	0	0.00%	50	100%
Female	21	0	0.00%	21	100%	9	0	0.00%	9	100%

WORKERS										
Permanent										
Male	413	259	62.71%	154	37.29%	387	231	59.69%	156	40.31%
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	0	0	0	0	0	45	38	84.44%	7	15.56%
Female	0	0	0	0	0	0	0	0	0	0

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs.)	Number	Median remuneration/ salary/ wages of respective category (Rs.)
Board of Directors (BoD)	6	Rs. 93798000	2	Rs. 2020000
Key Managerial Personnel (other than BoD)	2	Rs. 4195000	0	Rs.403000
Employees other than BoD and KMP	487	Rs.171367000	103	Rs. 33895000
Workers	452	Rs. 68062000	0	0

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The respective Human Resources Officer is responsible for addressing human rights issues caused or contributed by the business.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The company values human rights and strives to uphold them with all business partners. The company pledges to provide equitable employment opportunities without discrimination. the grounds of handicap, gender, caste, religion, race, state, background, and color, as well as maintaining a harassment-free workplace based on the aforementioned factors. The company has implemented a code of conduct and whistleblower mechanism for reporting issues/ grievance to management. The company has well-documented rules and procedures in place to ensure successful resolution of human rights abuses if any. The company additionally established systems and policies to prevent sexual harassment and provide efficient and timely redress of assertions.

**6. Number of Complaints on the following made by employees and workers:**

	FY24			FY23		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The company has mechanisms in place to ensure that while dealing with complaints as part of the grievance redressal procedure, every effort is made to conduct the investigation amicably, with no unpleasant circumstances arising. Whistleblower operations are done in complete confidence. According to POSH policy, the complainant is completely protected from reprisal. The internal committee will punish the individual who engaged in acts of violence or discrimination against the complainant. The company's code of conduct also forbids unfair employment practices, such as threats of dismissal or termination of services. We understand the importance of having a safe environment in which employees may express their concerns without fear of repercussions.

**8. Do human rights requirements form part of your business agreements and contracts?**

Yes. Human rights obligations are embedded into the company's routine operations. This includes enforcing measures against forced labour, child labour, and sexual harassment prevention. The company has implemented policies designed to address and control human rights issues.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%, During the assessment year, the company's facilities and offices were rigorously examined for issues related to child labour, forced or involuntary labour, sexual harassment, workplace discrimination, wage accuracy, timely payment of wages, and any other factors that could impede the effective performance of employees or workers.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	(The internal audit revealed no issues related to child labour or discrepancies in the timely and accurate payment of wages. Additionally, there were no complaints of sexual harassment lodged during this period.)

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

With a focus on offering safe and healthy working conditions across the organization, the evaluation of human rights-related challenges indicated no substantial issues or risks.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

There have been barely any human rights issues or grievances. However, the company continues to enhance its systems to deal with potential human rights issues in its operations and value chain. Additionally, the company, always sensitize the key suppliers and contractors involved in its portfolio to prevent human rights violations across the supply chain.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Though Due diligence was not conducted since no grievances were received during the year. But the company analyzes compliance with all applicable human rights laws and policies across its operations. External auditors conduct annual audits covering every aspect of the operation, including a third-party review of employment procedures and compliance with labor regulations. This approach identifies potential human rights risks and repercussions. Corrective efforts are taken (If Any) , and progress is assessed regularly.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the company's premises and offices are accessible to people with disabilities, as required by the Rights of Persons with Disabilities Act of 2016. The company has meticulously implemented a variety of steps to ensure accessibility, safety, and convenience for people with disabilities in all of its new offices and facilities.



**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	We have developed the mechanism in this regard for the financial year 2024-25, whereas during the financial year 2023-24 we sensitized the value chain partners.
Wages	
Others – please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

With a focus on offering safe and healthy working conditions across the organization, the evaluation of human rights-related challenges indicated no substantial issues or risks.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY23-24	FY22-23
	TJ	TJ
Total electricity consumption (A)	0.00	0.00
Total fuel consumption (B)	0.00	0.00
Energy consumption through other sources (C)	52723840.00	2415874.00
Total energy consumption(A+B+C)	52723840.00	2415874.00
Energy intensity per rupee of turnover (Total energy consumption/ turnover in Rupees)	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No. The Company do not partnered with any leading Carbon and Sustainability institution.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY (2023-24)	PY (2022-23)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	165000.00	120000.00
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	12000.00	9000.00
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>177000.00</b>	<b>129000.00</b>

Parameter	FY (2023-24)	PY (2022-23)
Total volume of water consumption (in kilolitres)	177000.00	129000.00
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000096623	0.0000088428
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	Nil	Nil
Water intensity in terms of physical output	Nil	Nil
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No.

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation**

No.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Whether air emissions (other than GHG emissions) by the entity is applicable to the company?

yes

Parameter	Unit	FY2023-24 (Current Financial Year)	FY2022-23 (Previous Financial Year)
NOx	Parts Per Million (PPM)	270.30	268.50
Sox	mg/m3	30.30	29.80
Particulate matter (PM)	mg/m3	42.70	40.60

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, sukriti industrial testing lab.

**6. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, In our efforts to curtail greenhouse gas emissions, we are deployed battery-operated material handling equipment and a 2.17 MWP solar power system. Our strategy includes replacing traditional fluorescent lamps with advanced LED lighting. Additionally, the shaft floor is meticulously engineered to allow ample natural light to permeate, thereby lessening the need for artificial illumination during day hours.

**7. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	NA	NA
E-waste (B)	0.91	0
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	2000	2250
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	2.40	1.80

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) - MIXED WASTE	250	380
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2253.31</b>	<b>2631.80</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	250	380
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
<b>Total</b>	<b>250</b>	<b>380</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the assessment is not done by any external agency.

8. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Not applicable.

9. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / Clearances are required, please specify details in the following format:**

Not applicable

10. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable

11. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes.

#### Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):**

Not applicable.

1	Name of the area	-	
2	Nature of operations	-	
3	Water withdrawal, consumption and discharge in the following format:		
	Parameter	<b>FY (2023-24)</b>	<b>PY (2022-23)</b>
	Water withdrawal by source (in kilolitres)		
	(i) Surface water	-	-
	(ii) Groundwater	-	-
	(iii) Third party water	-	-
	(iv) Seawater / desalinated water	-	-
	(v) Others	-	-

<b>Total volume of water withdrawal(in kilolitres)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2023-24 (Current Financial Year)	FY2022-23 (Previous Financial Year)
Total Scope 3 emissions		NA	-
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	NA		
Total Scope 3 emissions per rupee of turnover	NA	NA	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Not applicable

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Recognizing the significance of business continuity planning, the Company has plans and strategies to ensure the uninterrupted operation of critical business functions. We are focusing to cultivate an environment of preparedness, responsive action, and effective recovery from potential disruptions.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

We have yet to examine the environmental impacts resulting from the entity's value chain activities. However, we have taken initiatives in this regard.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

Not applicable. However, we have started sensitization program for the value chain partner in this regard.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. **Number of affiliations with trade and industry chambers/ associations.**

Four

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S r . No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1.	Confederation of Indian Footwear Industries	International
2.	Retailer Association of India	International
3.	Council of Leather Exports	International
4.	Noida Entrepreneurs Association	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Not Applicable

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

The company has not conducted any social impact assessment under (SIA). However, we recognize the importance of social impact assessment in understanding and addressing the potential social implications of social impact assessment.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable

### 3. Describe the mechanisms to receive and redress grievances of the community.

Redtape Limited, as a conscientious corporate citizen, prioritizes the physical and psychological health of individuals without compromising their human rights. The company is dedicated to achieving sustained success by delivering value that serves both shareholders and society. Redtape Limited is resolute in its conviction that generating value for both shareholders and the wider community is the cornerstone of enduring success. Post-demerger, Redtape Limited has bolstered its systems to enhance this focus. The company's CSR programs is building a strong rapport with community, with the program team engaging diligently with stakeholders through precisely coordinated feedback sessions, ensuring that their concerns are swiftly and effectively addressed. To ensure swift resolution of issues, Redtape Limited has established a robust Vigilance and Whistleblower Mechanism. This mechanism empowers stakeholders to openly express their concerns. Submissions can be made via email to [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com) and [customercare@redtapeindia.com](mailto:customercare@redtapeindia.com). Furthermore, the company recognizes that the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, provides another significant avenue for an aggrieved individual to file a written complaint. This policy was developed and made available on the company's official website to ensure transparency and accessibility.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	9.92%	10.58%
Sourced directly from within the district and neighboring districts	2.65%	4.04%

#### Leadership Indicators

#### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

#### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Not Applicable. Since our company is not limited to any specific area whenever CSR Committee will consider for any CSR Project in these aspirational districts thereafter necessary efforts will be made for the same.

#### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising

marginalized /vulnerable groups? (Yes/No): No

(b) From which marginalized /vulnerable groups do you procure?: Not Applicable

(c) What percentage of total procurement (by value) does it constitute? Not Applicable

#### 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

#### 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

There has been no reported instance of deriving or sharing such IPs based on traditional knowledge.

#### 6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Arunodya Charitable Trust	1200	85.00%
2.	National Apprenticeship Promotion Scheme	208	100.00%
3.	Vidyalaya Prabandh Samiti	120	100.00%
4.	MIRZA Foundation	100	100.00%

**PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner**
**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

To facilitate seamless communication with consumers, the company offers multiple channels for engagement, including online service requests, a toll-free number, and an email ID. These channels allow customers to voice their complaints and provide feedback easily.

Customer feedback, questions, and complaints are managed transparently and promptly. Resolutions to complaints are communicated through the contact number or email used in the initial correspondence with a newly onboarded customer. The company has implemented a robust complaint management system where every customer issue is recorded and resolved within a defined timeframe.

The mechanisms to receive and respond to consumer complaints and feedback include:

- Toll-Free Number: +91 7836850000
- Dedicated Email: [customercare@redtapeindia.com](mailto:customercare@redtapeindia.com)

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	0.00%
Safe and responsible usage	100.00%
Recycling and/or safe disposal	30%

**3. Number of consumer complaints in respect of the following:**

	FY2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	N.A	Nil	Nil	N.A
Advertising	Nil	Nil	N.A	Nil	Nil	N.A
Cyber-security	Nil	Nil	N.A	Nil	Nil	N.A
Delivery of Essential Services						
Restrictive Trade Practices	Nil	Nil	N.A	Nil	Nil	N.A
Unfair Trade Practices	Nil	Nil	N.A	Nil	Nil	N.A
Others						

**4. Details of instances of product recalls on account of safety issues:**

Not applicable, no such issue occurred

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, <https://redtape.com/pages/privacy-policy>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

<https://redtape.com>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The company proactively educates consumers on the safe and responsible usage of its products through various communications. During visits by company personnel, detailed process explanations are provided to ensure consumers understand the best practices.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

- Customers are notified verbally, as well as through emails and phone calls, in the event of any disruption or potential disruption in service.
- cases of service stoppages, customers are informed of the expected delays, interruptions, or holidays.
- Major events are communicated through press releases issued to the stock exchanges, if required.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company ensures that all information required by applicable laws and regulations is prominently displayed on its products. Additionally, the company periodically engages with customers to assess their satisfaction and understand their expectations, as and when required.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Nil



# Independent Auditor's Report

To,

The Members of  
**REDTAPE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

## **OPINION**

We have audited the accompanying Standalone Financial Statements of REDTAPE Limited ("the Company") (CIN:L74101UP2021PLC156659), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## **BASIS FOR OPINION**

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

## **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.no. Key Audit Matter	Auditors' Response
<p><b>1. Revenue recognition:</b></p> <p>Refer note 20 of the Standalone Financial Statements. The Company's revenue relates to retail sales through a large number of Company owned retail outlets, franchisee outlets, E Commerce Portals and non-retail business across the country which is comprised high volume of transactions. This increases the risk of revenue being recognised inaccurately. A proper process for accounting sales revenue is critical in order to mitigate risk of error.</p> <p>For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise.</p> <p>Also, recognition of revenue requires determination of the net selling price after considering forecast of sales returns and discounts. The estimate of sales returns and discounts depends on the Company's return policy, contract terms, forecast of sales volumes and past history of quantum of return.</p> <p>Considering the above-mentioned factors, appropriateness of revenue recognition has been considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs.</p> <p>We tested the sale transactions on a sample basis, by examining the underlying documents such as sales invoice, customer contracts, shipping/dispatch documents along with proof of delivery and agreeing them with the cash / credit card / online receipts and bank deposits.</p> <p>We evaluated the Company's policy for returns and performed an analysis of trend for sales return in case of the business and tested appropriateness of the provision for sales return as at the year-end.</p> <p>Based on above procedures, we observed that sales revenue has been properly recognized by the Company.</p>
<p><b>2 Right of Use Assets and Lease Liabilities</b></p> <p>Refer note 4, 14 and 35 of the Standalone Financial Statements. The Company act as a lessee in large number of leases so accounting of Right of use assets and Lease liabilities has a significant impact on the Standalone Financial Statements. A number of judgements have been applied and estimates made in determining the impact of right of use assets and lease liabilities (mainly to assess the applicable discount rate).</p> <p>We considered the accounting of Right of use assets and Lease liabilities as a key audit matter due to the material nature of leases and the significance of the management's judgements in determining the applicable discount rate.</p> <p>Additionally, there is a risk that the lease data which is used in the calculation of Right of use assets and Lease liabilities is incomplete or inaccurate.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We evaluated the design and operating effectiveness of key controls around accounting for leases in accordance with the Company's accounting policy.</p> <p>We reviewed the management assumptions, specifically on the assumptions underlying determination of the discount rates used to calculate the lease obligation.</p> <p>We assessed the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation.</p> <p>We tested the completeness of the lease data by reconciling the Company's existing lease commitments to the lease data used for determining right of use assets and lease liabilities.</p> <p>We evaluated whether the disclosures included in the notes to the Standalone Financial Statements are in conformity with the applicable standard.</p>

## **INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as we have not received any other information namely Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance as the case may be from the company.

When we read the other information as stated in above para, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

The Comparative Standalone Financial Statements of the Company for the year ended March 31, 2023 included in these financial statements were audited by the predecessor auditor, who, vide their audit report dated May 30, 2023 expressed unqualified opinion on these financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its

directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 31

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on behalf of  
**Ashwani & Associates**

Chartered Accountants  
Firm Registration Number: 000497N

by the hand of

**Aditya Kumar**  
Partner

Membership No.:506955  
UDIN: 24506955BKCNT06417

Place: Ludhiana

Dated: May 29, 2024

## Annexure 'A' To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REDTAPE Limited of even date)

**(Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"))**

We have audited the internal financial controls with reference to Standalone Financial Statements of REDTAPE LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements

and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal

financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For and on behalf of  
**Ashwani & Associates**  
Chartered Accountants  
Firm Registration Number: 000497N

by the hand of  
**Aditya Kumar**  
Partner  
Membership No.: 506955  
UDIN: 24506955BKCNT06417

Place: Ludhiana  
Dated: May 29, 2024

## Annexure 'B' To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REDTAPE Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of Company's Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets:
- a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of the Property, Plant and Equipment and Right-of-Use Assets at reasonable intervals. Pursuant to this program, certain Property, Plant and Equipment were physically verified during the year and no material discrepancies were noticed on such verification.
  - c) Based on our examination of the, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date except for the following:
    1. The Company is in the process of getting the title deeds of above mentioned in its name.
    2. The Company is operating certain retail stores where the respective lease agreements were made in the name of M/s Mirza International Limited (Transferee Company). The company is in process of preparing addendum to the said lease agreements to incorporate the name of the Company as lessee.
    - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
    - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and as per the information provided to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

Description of Property	Gross Carrying Value (Rs. In Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company
Leasehold Land -Plot No.8, Sector-90, Noida	333	Mirza International Limited	No	from 1 <sup>st</sup> January 2022	Title deeds are in the name of erstwhile transferee company i.e. Mirza International Limited.
Leasehold Land -Plot No.4,5, 36&35, Sector 59, Noida	182	Mirza International Limited	No	from 1 <sup>st</sup> January 2022	



iii. The Company has made investments in companies but has not granted unsecured loans to other parties, during the year, in respect of which:

- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not granted any loans to any person, hence reporting under clause 3(iii)(c) to (f) of the order is not applicable.

iv. The Company has not granted any loans as specified in Section 185 of the Companies Act, 2013.

The Company has complied with section 186 of the Companies Act, 2013 in respect of investments made. The Company has not given any guarantee and any security to any person.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules

made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There are no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.

(b) There are no statutory dues referred to in sub clause(a) above which have not been deposited on account of a dispute except the followings:

Statue	Nature of Dues	Unpaid Amount (Rs. In Lakh)	Period to which amount relates (F.Y.)	Forum where dispute is pending
Kerala VAT	Value Added Tax	4.91	2012-13	Deputy Commissioner (VAT)
Gujarat VAT	Value Added Tax	12.86	2016-17	Deputy Commissioner (VAT)
Rajasthan GST	Goods and Service Tax	15.06	2017-18	Rectification Filed with GST State Tax officer
Bihar GST	Goods and Service Tax	17.85	2017-18	First Appellate Authority (GST)
Delhi GST	Goods and Service Tax	581.48	2018-19	Rectification Filed with GST State Tax officer
Chhattisgarh GST	Goods and Service Tax	9.57	2018-19	Appeal to be filed
Assam GST	Goods and Service Tax	1.92	2018-19	First Appellate Authority (GST)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) The Company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans outstanding at the beginning of the year and availed during the year, were applied for the purposes for, which, they were obtained.

(d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised loans during the year on the pledge of securities held in its

- subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) No whistle-blower complaints were received during the year by the Company.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company is in compliance with the provisions of sections 177 and 188 the Companies Act, 2013 with respect to applicable transactions with related parties and the details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system which commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence the reporting under clause 3(xv) is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory Auditors during the year and accordingly reporting under clause 3(xviii) of the order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and future events or conditions that may cause the Company to cease to continue as a going concern. We neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. (Refer Note 34)

For and on behalf of  
**Ashwani & Associates**  
Chartered Accountants  
Firm Registration Number: 000497N

by the hand of

**Aditya Kumar**  
Partner

Membership No.: 506955  
UDIN: 24506955BKCNT06417

Place: Ludhiana  
Dated: May 29, 2024

## Standalone Balance Sheet

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, plant and equipment	3.1	34,387	19,882
b Capital work-in-progress	3.2	921	6,500
c Right-of-use assets	4	30,077	16,916
d Intangible assets under development	3.3	819	609
e Financial assets:			
i. Investments	5	42	96
ii. Other financial assets	6	936	1,000
f Other non current assets	7	81	458
<b>Total Non-Current assets</b>		<b>67,263</b>	<b>45,461</b>
<b>2 Current assets</b>			
a Inventories	8	75,998	64,299
b Financial assets:			
i. Trade receivables	9	9,048	8,411
ii. Cash and cash equivalents	10	821	1,485
iii. Other financial assets	6	212	135
c Other current assets	7	3,600	2,871
<b>Total Current assets</b>		<b>89,679</b>	<b>77,201</b>
<b>TOTAL ASSETS</b>		<b>1,56,942</b>	<b>1,22,662</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity Share capital	11	2,764	2,764
b Other Equity	12	60,453	43,847
<b>Total Equity</b>		<b>63,217</b>	<b>46,611</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a Financial Liabilities			
i. Borrowings	13	2,491	3,071
ii. Lease liabilities	14	29,037	16,010
b Provisions	15	491	350
c Deferred Tax Liabilities (Net)	29	73	217
<b>Total Non-Current Liabilities</b>		<b>32,092</b>	<b>19,648</b>
<b>2 Current liabilities</b>			
a Financial Liabilities			
i. Borrowings	13	13,565	5,000
ii. Lease liabilities	14	2,841	1,906
iii. Trade Payables	16		
a. Total outstanding dues of micro enterprises and small enterprises		2,364	1,224
b. Total outstanding dues of creditors other than Micro enterprises and small enterprises		25,134	33,132
iv. Other financial liabilities	17	16,661	14,767
b Other current liabilities	18	862	357
c Provisions	15	48	17
d Current tax liabilities (net)	19	158	-
<b>Total Current Liabilities</b>		<b>61,633</b>	<b>56,403</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,56,942</b>	<b>1,22,662</b>
Corporate Information	1		
Material Accounting Policies	2		

See accompanying notes forming part of Standalone Financial Statements

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors**

**Aditya Kumar**

Partner

M.No. 506955

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

## Standalone Statement of Profit and Loss

(₹in Lakh)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
I Revenue from operations	20	1,83,187	1,45,882
II Other income	21	1,277	651
<b>III Total Income (I + II)</b>		<b>1,84,464</b>	<b>1,46,533</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	5,839	11,401
Purchases of Stock-in-Trade	23	1,01,079	93,049
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(12,078)	(25,807)
Employee benefits expense	25	9,152	6,647
Finance costs	26	3,244	1,444
Depreciation	27	5,876	4,444
Other expenses	28	48,623	37,243
<b>IV Total Expenses</b>		<b>1,61,735</b>	<b>1,28,421</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>22,729</b>	<b>18,112</b>
<b>VI Exceptional items</b>		<b>-</b>	<b>-</b>
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>22,729</b>	<b>18,112</b>
<b>VIII Tax Expense</b>			
(1) Current tax	29	5,882	4,600
(2) Deferred tax	29	(133)	(95)
<b>IX Profit/(Loss) for the period (VII-VIII)</b>		<b>16,980</b>	<b>13,607</b>
<b>X Other comprehensive Income:</b>			
<b>a. Items that will not be reclassified to Profit or Loss</b>			
(i) Remeasurement gain /(loss) of defined benefit obligation		(25)	(5)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	29	6	1
<b>b. Items that will be reclassified to Profit or Loss</b>			
(i) Net movement in effective portion of cash flow hedge reserve		(19)	(310)
(ii) Income Tax relating to items that will be reclassified to profit or loss	29	5	80
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>16,947</b>	<b>13,373</b>
<b>XII Earning per equity share of face value of ₹ 2 each</b>			
<b>Basic (in ₹)</b>	30	<b>12.29</b>	9.85
<b>Diluted (in ₹)</b>	30	<b>12.29</b>	9.85
Corporate Information	1		
Material Accounting Policies	2		

See accompanying notes forming part of Standalone Financial Statements

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors****Aditya Kumar**

Partner

M.No. 506955

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhileendra Bahadur Singh**

(Company Secretary)

Noida

# Standalone Statement of Changes In Equity

(All amounts in ₹ Lakh)

## (A) Equity Share Capital

(1) Current reporting period from 01-Apr-2023 to 31-Mar-2024

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period		Balance as at the end of the current reporting period
			Shares issued during the year	Cancelled during the year pursuant to the scheme of arrangement	
2,764	-	2,764	-	-	2,764

(2) Previous reporting period from 01-Apr-2022 to 31-Mar-2023

Balance as at beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period		Balance as at the end of the previous reporting period
			Shares issued during the previous year pursuant to the scheme of arrangement	Cancelled during the previous year pursuant to the scheme of arrangement	
1	-	1	2,764	1	2,764

## (B) Other Equity

Other Equity	Reserves & surplus			Other Comprehensive Income	Total equity
	Capital Reserve	Retained Earnings	Remeasurement gain/(loss) of defined benefit obligation	Effective Portion of cash flow hedge reserve	
<b>Balance as at March 31, 2022</b>	<b>27,712</b>	<b>2,544</b>	-	<b>207</b>	<b>30,463</b>
Add : Profit for the year 2022-23		13,607			<b>13,607</b>
Add : Remeasurement gain/(loss) of defined benefit obligation (net of tax impact)			(4)		<b>(4)</b>
Add : Net movement in effective portion of cash flow hedge reserve (net of tax impact)				(230)	<b>(230)</b>
Add : Income Tax Adjustment (Net)	11				<b>11</b>
<b>Balance as at March 31, 2023</b>	<b>27,723</b>	<b>16,151</b>	<b>(4)</b>	<b>(23)</b>	<b>43,847</b>
Add : Profit for the year 2023-24		16,980			<b>16,980</b>
Add : Remeasurement gain/(loss) of defined benefit obligation (net of tax impact)			(19)		<b>(19)</b>
Add : Net movement in effective portion of cash flow hedge reserve (net of tax impact)				(14)	<b>(14)</b>
Less : Income Tax Adjustment Previous Year (Net)	(341)				<b>(341)</b>
<b>Balance as at Mar 31, 2024</b>	<b>27,382</b>	<b>33,131</b>	<b>(23)</b>	<b>(37)</b>	<b>60,453</b>

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**Aditya Kumar**

Partner

M.No. 506955

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024**For & on behalf of the board of Directors****Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

**CS Akhileendra Bahadur Singh**

(Company Secretary)

Noida

# Standalone Statement of Cash Flow

(All amounts in ₹ Lakh)

Particulars	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
<b>(A) CASH FROM OPERATING ACTIVITIES</b>		
Net profit before tax	22,729	18,112
Adjustments for		
Add :		
Net Loss on Investment	10	11
(Profit)/Loss on sale of Property, Plant & Equipment	14	(13)
Depreciation & amortisation expenses	5,876	4,444
Finance cost and income (net)	3,185	1,212
Unrealised foreign exchange (gain)/loss on foreign currency rate fluctuation	(151)	(158)
	<b>8,934</b>	<b>5,496</b>
Less :		
Ceaser of Lease Liability	256	119
<b>Operating Profit before Working Capital Changes</b>	<b>31,407</b>	<b>23,489</b>
<b>Adjustments For</b>		
(Increase)/Decrease in Trade & other Receivables	(227)	(4,038)
(Increase)/Decrease in Inventory	(11,699)	(24,634)
(Increase)/Decrease in Trade Payables	(6,858)	17,582
(Increase)/Decrease in Others	1,606	2,629
<b>Cash Generated from Operations</b>	<b>14,229</b>	<b>15,028</b>
Direct Taxes Paid	(6,072)	(3,960)
Cash flow before extra ordinary items	8,157	11,068
<b>Net Cash generated from Operating Activity</b>	<b>8,157</b>	<b>11,068</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment including intangible assets and Capital work-in-progress	(11,853)	(12,751)
Sale of Property, Plant & Equipment including intangible assets and Capital work-in-progress	335	621
Interest & Other Income Received	11	501
Proceeds from Sale of Investment	44	0
<b>Net Cash used in Investing Activities</b>	<b>(11,463)</b>	<b>(11,629)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Repayment or Proceeds from Long Term Borrowings	(580)	1,919
Net Proceeds from Short Term Borrowing	8,564	3,300
Lease repayment	(3,928)	(3,219)
Finance cost	(1,414)	(759)
Net cash used in financing activities	<b>2,642</b>	<b>1,241</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(664)	680
Cash & Cash Equivalents at the beginning of the year	1,485	805
Cash & Cash Equivalents at the end of the year	<b>821</b>	<b>1,485</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	333	182
Balances with Banks:		
- On current accounts	488	1,207
- On deposit accounts with original maturity of less than 3 months	-	96
	<b>821</b>	<b>1,485</b>

See accompanying notes forming part of Standalone Financial Statements

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**Aditya Kumar**

Partner

M.No. 506955

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**For & on behalf of the board of Directors**

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

# Notes Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31st MARCH, 2024

## 1) Corporate information

REDTAPE Limited ("The Company") (CIN - L74101UP2021PLC156659) is a public limited company incorporated in India on 8<sup>th</sup> Dec, 2021 having its registered office located at Plot No. 08, Sector 90, Noida - 201301, Uttar Pradesh, India.

The Company is in the business of retail sale of Footwear, Garments & apparels and allied products and is also a manufacturer of footwear.

The Company shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The standalone financial statements for the year ended March 31, 2024 are approved for issuance by Company's Board of Directors on May 29, 2024.

## 2) (i) Material accounting policies

### I) Statement of compliance

These standalone financial statements have been prepared & comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended & other relevant provisions of the Act.

### II) Basis of preparation of standalone financial statements

These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

### III) Functional and presentation currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The standalone financial statements are presented in Indian Rupees (₹), which is the functional currency of the Company.

### IV) Use of estimates and judgements

The preparation of the standalone financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

### V) Property, plant & equipment

(i) Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Company are valued at cost of acquisition or construction net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes purchase price, borrowing cost of Capitalization allocated

# Notes Annexed to and forming part of Standalone Financial Statements

/ apportioned direct and indirect expenses incurred in relation to bringing the fixed assets to its working condition for its intended life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognized.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

- (ii) Capital Work in Progress – All costs attributable to the assets or incurred in relation to the assets under completion are aggregated under Capital work in progress to be allocated to individual assets on completion.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress

## VI) Intangible assets

Intangible assets acquired separately are measured in initial recognition at cost. Following initial recognition, intangibles, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting period.

### Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period of 5 years from the date its put to use.

The cost of usage rights is being amortized over the concession period in the proportion in which the actual revenue received during the accounting year bears to the projected revenue from such intangible assets till the end of concession period.

## VII) Depreciation and Amortization

Leasehold improvements at stores are depreciated on straight line basis over the period of lease or useful life (not exceeding 9 years), whichever is lower.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except intangible assets, assets held under lease and in respect of the following categories of asset, in whose



## Notes Annexed to and forming part of Standalone Financial Statements

case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

Category	Useful Life
Plant and Machinery and Solar Power Plant	10 to 25 years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### VIII) Impairment of Non-financial assets

The company assess at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

### IX) Dividend to equity holders of the Company

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorized when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognized directly in equity.

### X) Leases

The Company's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores company also has taken Land as lease from Development Authorities. At inception of a contract, the Company assesses whether a contract contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, then the contract is considered as lease. Following factors are considered to determine whether a contract conveys the right to control the use of an identified asset:

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- (i) The contract encompasses the use of an identified asset;
- (ii) The Company has extensively all of the economic benefits from use of the asset during the period of the lease; and
- (iii) The Company is in position to direct the use of the asset.

On the beginning of the lease, except for leases with a term of twelve months or less and low value leases, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease provisions in which it is a lessee.

For leases with a term of twelve months or less and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Where the lease provisions include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities adjusted only when it is reasonably certain that they will be exercised.

The ROU assets are initially accounted for at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Subsequently they are measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying ROU asset. Whenever events or changes in circumstances designate that their carrying amounts may not be recoverable ROU assets are evaluated for recoverability.

Variable lease payments that depend on sales are recognized in profit or loss in the period which the condition that triggers those payment occurs.

The lease liabilities at the commencement are measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates or risk-free rate as the case may be. Lease

liabilities are re-measured with a consistent change to the related ROU asset if the Company changes its appraisal about exercise of option for extension or termination.

Lease liabilities and ROU assets have been presented separately in the Balance Sheet and lease payments have been classified as financing cash flows.

## XI) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition. However, the trade receivables that doesn't contain a significant financing component are measured at transaction price.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

### b. Subsequent measurement

#### - Non-derivative financial instruments

#### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

**(iv) Financial liabilities**

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**- Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 (Business Combinations) applies are classified as at FVTPL. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**- Financial assets or financial liability at fair value through profit or loss**

This category has financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

**- Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the standalone financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond twelve months.

# Notes Annexed to and forming part of Standalone Financial Statements

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognized immediately in the statement of profit and loss.

#### When hedge accounting is applied:

- For fair value hedges of recognized assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognized in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- For cash flow hedges, the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or

loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

#### - Equity share capital

##### Equity shares

Equity shares issued by the Company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

##### De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

##### Fair Value of Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

Fair value measurement under Ind AS are categorized as below based on the

# Notes Annexed to and forming part of Standalone Financial Statements

degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date.

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

## Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone financial statement if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## Dividend Income

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

## Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

## XII) Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company assesses at each date of balance sheet whether a financial asset or a Company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## XIII) Borrowing and borrowing cost

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets, all other Borrowing cost are charged to the Statement of Profit & Loss. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

## XIV) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with

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Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## XV) Inventories

**Manufactured Goods:** Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on a weighted average cost basis.

**Traded Goods:** Traded goods, work-in-progress and finished goods are valued at cost or net realizable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

**Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.

### Net Realizable Value of inventory

The Company has defined policy for provision on inventory based on obsolete, damaged and slow-moving inventories. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

## Provision on Inventory –

The company has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non – core (fashion) and sub categorized into finished goods and raw materials. The company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods

## XVI) Foreign currency transactions

### (i) Financial Instruments

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

### (ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

## XVII) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

## XVIII) Revenue Recognition

### (i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods are transferred to the customer at an amount

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that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act, 2013, duties levy like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the Company has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price Concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management's assessment of market conditions.

For e-commerce sales, it is the Company's policy to sell its products to the end customer with a right of return within 10 to 20 days. Therefore, a refund liability in relation to expected returns (included in other current liabilities- refund liabilities) and a right to recover the returned goods (included in other current assets) are recognized for the products expected to be returned. Past experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Revenue from related party is recognized based on transaction price which is at arm's length.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

### (ii) Export incentives

The revenue in respect of export benefits is recognized on post export basis at the rate at which the entitlements accrue.

### (iii) Insurance and other claims

Insurance and other claims are recognized when there exists no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

## XIX) Employee benefits

### a. Short-term obligations

Liabilities for wages and salaries, including non- monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### b. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognized in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognized in the period, in which the absences occur.

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## c. Post-employment obligations

The Company operates the following post-employment schemes:

- (1) Defined benefit plans such as gratuity; and
- (2) Defined contribution plans such as provident fund etc.

### Gratuity

The liability recognized in the balance sheet in respect of defined benefit gratuity is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred and deposited with the Government Provident Fund Scheme.

### Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can

no longer withdraw the offer of those benefits; and (b) when the Company recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## XX) Accounting for taxes on income

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



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Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively

## XXI) Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## XXII) Provisions, contingent liabilities and contingent assets

### Provision:

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

### Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) The amount of the obligation cannot be

measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

### Contingent Asset:

Contingent asset is neither recognized nor disclosed in the financial statements.

## XXIII) Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorated portion of the depreciation of the assets, to amortize the grant over the life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

## XXIV) Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific product line/ service including the defect liability period wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

## 2) (ii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which

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amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of standalone financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

## 2) (iii) Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. This note provides detailed information of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical judgements are:

### I. Defined benefit plans estimates

The cost of the defined benefit gratuity plan compensated absences and other post-employment defined benefits (Provident Fund) are determined using

actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 32.

### II. Net Realizable Value of inventory

The Company has defined policy for provision on inventory based on obsolete, damaged and slow-moving inventories. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

## Notes to the Standalone Financial Statements

### Note 3.1 Property, Plant and Equipment

Particulars	Land Freehold	Land Leasehold	Buildings	Plant & Machinery	Shoe Lasts	Tools & Installation	Electrical & Fixtures	Office Equipment	Computers	Vehicles	Total	
Gross carrying value as at 01-Apr-2022	187	1,291	-	6,968	5,215	351	656	9,440	907	574	695	26,284
Additions	-	-	-	1,034	2,547	-	267	2,876	313	118	193	7,348
Disposals	-	-	-	(730)	-	-	-	(372)	(52)	-	(152)	(1,306)
Transfer to ROU	-	(1,291)	-	-	-	-	-	-	-	-	-	(1,291)
Gross carrying value as at 31-Mar-2023	187	-	-	8,002	7,032	351	923	11,944	1,168	692	736	31,035
Additions	-	-	216	9,250	1,847	17	1,262	3,936	376	300	19	17,223
Disposals	-	-	-	-	(471)	(200)	-	(310)	(18)	(18)	-	(1,017)
Gross carrying value as at 31-Mar-2024	187	-	216	17,252	8,408	168	2,185	15,570	1,526	974	755	47,241
Accumulated depreciation as at 01-Apr-2022	-	295	-	1,914	2,244	313	263	3,467	436	432	259	9,623
Depreciation charge for the year	-	-	-	200	529	-	52	1,002	204	65	176	2,228
On disposals	-	-	-	-	(238)	(19)	-	(63)	(9)	-	(74)	(403)
Transfer to ROU	-	(295)	-	-	-	-	-	-	-	-	-	(295)
Accumulated depreciation as at 31-Mar-2023	-	-	-	2,114	2,535	294	315	4,406	631	497	361	11,153
Depreciation charge for the year	-	-	11	311	480	59	106	1,067	181	95	74	2,384
On disposals	-	-	-	-	(320)	(200)	-	(137)	(9)	(17)	-	(683)
Accumulated depreciation as at 31-Mar-2024	-	-	11	2,425	2,695	153	421	5,336	803	575	435	12,854
Net carrying value as at 01-Apr-2022	187	996	-	5,054	2,971	38	393	5,973	471	142	436	16,661
Net carrying value as at 31-Mar-2023	187	-	-	5,888	4,497	57	608	7,538	537	195	375	19,882
Net carrying value as at 31-Mar-2024	187	-	205	14,827	5,713	15	1,764	10,234	723	399	320	34,387

#### Notes :

- a) Property, plant and equipment pledged/hypothecated as security for borrowing by the Company (refer note no. 13)  
 b) Borrowing cost capitalised for the year ended 31 March 2024 ₹ 267 Lakh ( 31 March 2023: ₹ 90 Lakh)

# Notes to the Standalone Financial Statements

## Note 3.2 Capital Work In Progress

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	6,500	2,259	(7,838)	921
Previous year	1,223	5,277	-	6,500

### Capital-Work-in-Progress (CWIP) aging schedule

Particulars	Amount in CWIP for a Period of				Balance as at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31 <sup>st</sup> March 2024
<b>Project in Progress</b>					<b>Total</b>
-Bhiwandi Warehouse	65				65
-Retail Stores	135				135
-Unnao Refinishing & Packaging Unit	686				686
-Noida Refinishing & Packaging Unit		35			35
<b>Total</b>	<b>886</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>921</b>

Particulars	Amount in CWIP for a Period of				Balance as at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31 <sup>st</sup> March 2023
<b>Project in Progress</b>					<b>Total</b>
-Unnao Refinishing & Packaging Unit	6,412				6,412
-Noida Refinishing & Packaging Unit	88				88
<b>Total</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>

## Note 3.3 Intangible Asset Under Development

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	609	210	-	819
Previous year	483	126	-	609

### Intangible Assets under Development aging schedule

Particulars	Amount in CWIP for a Period of				Balance as at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31 <sup>st</sup> March 2024
<b>Asset details:</b>					<b>Total</b>
Software (SAP)	210	186	140	283	819
<b>Total</b>	<b>210</b>	<b>186</b>	<b>140</b>	<b>283</b>	<b>819</b>

Particulars	Amount in CWIP for a Period of				Balance as at
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	31 <sup>st</sup> March 2023
<b>Asset details:</b>					<b>Total</b>
Software (SAP)	126	148	111	224	609
<b>Total</b>	<b>126</b>	<b>148</b>	<b>111</b>	<b>224</b>	<b>609</b>

## Notes to the Standalone Financial Statements

### Note 4 Right-of-Use Assets\*

Particulars	Building	Total
<b>Gross carrying value as at 01-Apr-2022</b>	<b>20,325</b>	<b>20,325</b>
Additions	6,909	6,909
Termination or Disposals	(3,801)	(3,801)
<b>Gross carrying value as at 31-Mar-2023</b>	<b>23,433</b>	<b>23,433</b>
Additions	18,465	18,465
Termination or Disposals	(3,262)	(3,262)
<b>Gross carrying value as at 31-Mar-2024</b>	<b>38,636</b>	<b>38,636</b>
<b>Accumulated depreciation as at 01-Apr-2022</b>	<b>6,657</b>	<b>6,657</b>
Depreciation for the year	2,216	2,216
Depreciation on termination or Disposals	(2,356)	(2,356)
<b>Accumulated depreciation as at 31-Mar-2023</b>	<b>6,517</b>	<b>6,517</b>
Depreciation for the year	3,492	3,492
Depreciation on termination or Disposals	(1,450)	(1,450)
<b>Accumulated depreciation as at 31-Mar-2024</b>	<b>8,559</b>	<b>8,559</b>
Net carrying value as at 31-Mar-2023	16,916	16,916
<b>Net carrying value as at 31-Mar-2024</b>	<b>30,077</b>	<b>30,077</b>

\* Refer note no. 35 and 44 (i)

### Note 5 Investments (non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Investments in subsidiaries carried at cost</b>		
<b>Unquoted Equity instruments</b>		
<b>Face value of BDT 100/- each</b>		
Redtape Bangla Limited		
46,918 Equity shares (previous year 46,918 Equity shares)	41	41
<b>Face value of HKD \$ 1/- each</b>		
Redtape HK Limited		
10,000 Equity shares (previous year Nil Equity shares)	1	-
Sen En Mirza Industrial Supply Chain LLP	-	55
Current Year Share of Profit Ratio Redtape Limited - 99% Mr. Kamal Hans - 1% (previous year Share of Profit Ratio: Redtape Limited - 52% Mr. Alberto Alvarez Hernandez - 48%)		
<b>Total</b>	<b>42</b>	<b>96</b>
<b>Aggregate amount of quoted investments and market value of quoted investments</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>42</b>	<b>96</b>
<b>Aggregate amount of impairment in value of investment</b>	<b>-</b>	<b>-</b>

### Note 6 Other financial assets

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>				
<b>Security Deposits</b>				
Security Deposit - Rent	806	875	200	91
Security Deposit - Others	130	125	-	-
Export incentives/ other receivables from Government Authorities	-	-	4	5
Advances to Employees	-	-	8	39
<b>Total</b>	<b>936</b>	<b>1,000</b>	<b>212</b>	<b>135</b>

# Notes to the Standalone Financial Statements

## Note 7 Other assets

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>				
<b>Capital advances</b>	81	458		
Advances against supply of goods and services	-	-	449	727
Balance and deposits with Government Department and others	-	-	2,761	2,045
Right to recover returned goods	-	-	212	-
Prepaid Expenses	-	-	178	99
<b>Total</b>	<b>81</b>	<b>458</b>	<b>3,600</b>	<b>2,871</b>

## Note 8 Inventories\*

Particulars	As at March 31, 2024	As at March 31, 2023
a. Raw Materials and components	1,157	1,324
b. Work-in-progress	141	158
c. Finished goods	224	525
d. Stock-in-trade**	74,445	59,754
e. Goods-in transit	-	2,503
f. Stores and spares	31	30
<b>Total</b>	<b>75,998</b>	<b>64,299</b>

\* Valued at cost or net realisable value, whichever is lower

\*\*During the year, an amount of ₹ 163 lakh was charged to the standalone statement of profit and loss (included in changes in inventories of finished goods, stock-in-trade and work-in-progress) on account of obsolete, damaged and slow moving inventories.

All inventories of company have been hypothecated to secure borrowings of the company (refer note 13)

## Note 9 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable -Related Parties (refer note no. 33)	57	123
Trade receivables considered good- unsecured (other than related parties)	8,991	8,288
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables- credit impaired	-	-
	9,048	8,411
Less: Allowances for expected credit loss and doubtful receivables	-	-
<b>Total</b>	<b>9,048</b>	<b>8,411</b>

All book debts have been hypothecated to secure borrowings of the company (refer note 13)

## Notes to the Standalone Financial Statements

### Note 9.1 Trade Receivable outstanding ageing schedule

As at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of transaction*					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Good	8,676	361	9	-	2	9,048
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>8,676</b>	<b>361</b>	<b>9</b>	<b>-</b>	<b>2</b>	<b>9,048</b>
<b>Less: Allowances for expected credit loss and doubtful receivables</b>						<b>-</b>
<b>Total Trade receivables</b>						<b>9,048</b>

As at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of transaction*					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Good	7,759	648	2	1	1	8,411
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>7,759</b>	<b>648</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>8,411</b>
<b>Less: Allowances for expected credit loss and doubtful receivables</b>						<b>-</b>
<b>Total Trade receivables</b>						<b>8,411</b>

\* There are no specific due dates of payment specified in respect of trade receivables. As such, the trade receivables ageing schedule is prepared on the basis of date of transaction.

### Note 10 Cash And Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
A. Balances with banks - In Current Account	488	1,207
B. Balances with banks held as margin money against borrowings and other commitments* - On deposit accounts with original maturity of less than 3 months	-	96
C. Cash in hand	333	182
<b>Total</b>	<b>821</b>	<b>1,485</b>

\* Fixed Deposits are pledged with the Bank as margin money for LCs

# Notes to the Standalone Financial Statements

## Note 11 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised equity share capital</b>		
15,00,50,000 equity shares of INR 2/- each	3,001	3,001
(31 March, 2023 15,00,50,000 equity shares of INR 2/- each)	3,001	3,001
<b>Issued, Subscribed &amp; Paid up</b>		
13,82,01,900 Equity Shares of ₹ 2/- each fully paid up	2,764	2,764
(31 March 2023 13,82,01,900 Equity Shares of ₹ 2/- each fully paid up)		
<b>Total</b>	<b>2,764</b>	<b>2,764</b>

### Note 11.1 Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	No to shares (in number)	Amount
<b>Outstanding as at 1 April 2022</b>	<b>50,000</b>	<b>1</b>
Share issued pursuant to the Scheme of arrangement (refer note 11.5)	13,82,01,900	2,764
Share cancelled pursuant to the Scheme of arrangement	50,000	1
Preference Shares converted into Equity Shares	-	-
Shares bought back during the year	-	-
<b>Outstanding as at 31 March 2023</b>	<b>13,82,01,900</b>	<b>2,764</b>
Shares Issued during the year	-	-
Shares Cancelled during the year	-	-
Preference Shares converted into Equity Shares	-	-
Shares bought back during the year	-	-
<b>Outstanding as at 31 March 2024</b>	<b>13,82,01,900</b>	<b>2,764</b>

### Note 11.2 Rights, preferences and restrictions attached to shares

#### Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not declared any dividend during the year.

### Note 11.3 The details of shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shuja Mirza	4,94,58,174	35.79%	1,11,04,149	8.03%
Rashid Ahmed Mirza	1,83,35,680	13.27%	1,83,35,680	13.27%
Yasmin Mirza	3,11,22,495	22.52%	57,70,200	4.18%
Shahid Ahmad Mirza	30,472	0.02%	2,20,85,875	15.98%
Tauseef Ahmad Mirza	89,000	0.06%	2,22,36,413	16.09%
Tasneef Ahmad Mirza	-	-	1,95,03,504	14.11%



## Notes to the Standalone Financial Statements

### Note 11.4 Details of shares held by promoters and promoter group

#### As at 31<sup>st</sup> March 2024

Name of the promoter/ promoter group	Number of shares as at 01.04.2023	Change during the year	Number of shares as at 31.03.2024	% Holding as at year end	% Change during the year
Rashid Ahmed Mirza	1,83,35,680	-	1,83,35,680	13.27%	0.00%
Shahid Ahmad Mirza	2,20,85,875	-2,20,55,403	30,472	0.02%	-15.96%
Tauseef Ahmad Mirza	2,22,36,413	-2,21,47,413	89,000	0.06%	-16.03%
Tasneef Ahmad Mirza	1,95,03,504	-1,95,03,504	-	0.00%	-14.11%
Shuja Mirza	1,11,04,149	3,83,54,025	4,94,58,174	35.79%	27.75%
Yasmin Mirza	57,70,200	2,53,52,295	3,11,22,495	22.52%	18.34%
Fauzia Mirza	50,000	-	50,000	0.04%	0.00%
Nida Mirza	2,220	-	2,220	0.00%	0.00%
Haya Mirza	19,500	-	19,500	0.01%	0.00%
Iram Mirza	21,000	-	21,000	0.02%	0.00%
Firdaus Amin	50,000	-	50,000	0.04%	0.00%

#### As at 31<sup>st</sup> March 2023

Name of the promoter	Number of shares as at 01.04.2022	Change during the year	Number of shares as at 31.03.2023	% Holding	% Change during the year
Mirza International Limited (Holding Company)	49,994	-49,994	-	0.00%	-100%
Rashid Ahmed Mirza	1*	1,83,35,679	1,83,35,680	13.27%	13.27%
Shahid Ahmad Mirza	1*	2,20,85,874	2,20,85,875	15.98%	15.98%
Tauseef Ahmad Mirza	1*	2,22,36,412	2,22,36,413	16.09%	16.09%
Tasneef Ahmad Mirza	1*	1,95,03,503	1,95,03,504	14.11%	14.11%
Shuja Mirza	1*	1,11,04,148	1,11,04,149	8.03%	8.03%
Yasmin Mirza	-	57,70,200	57,70,200	4.18%	4.18%
Fauzia Mirza	-	50,000	50,000	0.04%	0.04%
Nida Mirza	-	2,220	2,220	0.00%	0.00%
Haya Mirza	-	19,500	19,500	0.01%	0.01%
Iram Mirza	-	21,000	21,000	0.02%	0.02%
Firdaus Amin	-	50,000	50,000	0.04%	0.04%
Faraz Mirza	1*	-1	-	0.00%	0.00%

Note:\* as Nominee Shareholder on behalf of Mirza International Limited

**Note 11.5** Pursuant to the Scheme of arrangement the Company had issued 13,82,01,900 Equity Shares to the Shareholders of Mirza International Limited. On 31<sup>st</sup> March 2023 (Allotment date) Redtape Limited had issued one equity share for every equity share held of Mirza International Limited on the date of 29<sup>th</sup> March 2023 (Record date) for consideration other than cash.

**Note 11.6** There are no buy back of equity shares during the last one year.

**Note 11.7** There are no bonus shares issued during the last one year.

**Note 11.8** There is no holding / ultimate holding company of the company.

# Notes to the Standalone Financial Statements

## Note 12. Other Equity

Other Equity	Reserves & surplus			Other Comprehensive Income	Total equity
	Capital Reserve	Retained Earnings	Remeasurement gain/(loss) of defined benefit obligation	Effective Portion of cash flow hedge reserve	
<b>Balance as at March 31, 2022</b>	<b>27,712</b>	<b>2,544</b>	<b>-</b>	<b>207</b>	<b>30,463</b>
Add : Profit for the year 2022-23		13,607			13,607
Add : Remeasurement gain /(loss) of defined benefit obligation (net of tax impact)			(4)		(4)
Add : Effective Portion of cash flow hedge reserve (net of tax impact)				(230)	(230)
Add : Income Tax Adjustment (Net)	11				11
<b>Balance as at March 31, 2023</b>	<b>27,723</b>	<b>16,151</b>	<b>(4)</b>	<b>(23)</b>	<b>43,847</b>
Add : Profit for the year 2023-24		16,980			16,980
Add : Remeasurement gain /(loss) of defined benefit obligation (net of tax impact)			(19)		(19)
Add : Effective Portion of cash flow hedge reserve (net of tax impact)				(14)	(14)
Less : Income Tax Adjustment Previous Year (Net)	(341)				(341)
<b>Balance as at March 31, 2024</b>	<b>27,382</b>	<b>33,131</b>	<b>(23)</b>	<b>(37)</b>	<b>60,453</b>

### Nature and purpose of reserve

#### - Capital reserve

Surplus resulted pursuant to Scheme of Arrangement of Demerger.

#### - Retained earnings:

Retained earnings represents the net profits after all distributions and transfers to other reserves.

### Other comprehensive income:

#### - Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

#### - Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

## Notes to the Standalone Financial Statements

### Note 13 Borrowings

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Term loans</b>				
<b>Secured</b>				
From Banks	2,435	2,985	2,656	1,603
From Banks (Auto Loan)	56	86	28	32
<b>Working capital loans repayable on demand</b>				
-From Banks	-	-	10,880	3,364
<b>Preference shares</b>				
9% Non-cumulative Compulsorily Redeemable Preference Shares of ₹ 2/- each	-	-	1	1
<b>Total</b>	<b>2,491</b>	<b>3,071</b>	<b>13,565</b>	<b>5,000</b>

- (1) HDFC Bank term loans amounting to ₹ 5,091 Lakh secured by exclusive charge on moveable assets funded from HDFC Bank term loan, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh) and Pari-passu charge on current & future stocks and book debts.
- (2) HDFC Bank working capital loan of ₹ 1,380 Lakh is secured by Pari passu charge on current & future stocks & book debts and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),
- (3) CITI Bank working capital loan of ₹ 7,400 Lakh is secured by First Pari passu charge on present & future stocks & book debts and exclusive charge on property situated at Plot No.4,5,36&37, Sector-59, Noida.
- (4) Federal Bank working capital loan of ₹ 2,100 Lakh is secured by First Pari passu charge by way of hypothecation on entire current assets present & future stocks & book debts and exclusive charge on property situated at Plot No.8, Sector-90, Noida.
- (5) Auto Loans are secured by the hypothecation of respective vehicle for which was availed.
- (6) All the above secured Loans are guaranteed by Mr. Shuja Mirza

#### **(Non-cumulative) Compulsorily Redeemable Preference Shares**

As per Clause 3.10 of Composite Scheme of Arrangement the pre-Scheme issued and paid-up share capital of the Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

50,000 9% Non-cumulative compulsorily redeemable preference shares of ₹ 2/- each fully paid up shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue (maturity date is 30 March 2028) of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.

# Notes to the Standalone Financial Statements

## Maturity Profile :

1)

Term Loans from Banks			Current		Non-Current		
Secured	Payment Type	No. Of Pending Instalment	Instalment Amount	0-1 Yrs	1 -2 Yrs	2 -3 Yrs	More than 3 Years
<b>Term Loans</b>				<b>2,656</b>	<b>2,435</b>	-	-
HDFC TERM LOAN (003LN06222880003)	Quarterly	7	66	265	199	-	-
HDFC TERM LOAN (003LN06222980002)	Quarterly	7	37	148	111	-	-
HDFC TERM LOAN (003LN06222990002)	Quarterly	7	1	6	4	-	-
HDFC TERM LOAN (003LN06223090001)	Quarterly	7	3	13	10	-	-
HDFC TERM LOAN (003LN06223150003)	Quarterly	7	1	5	4	-	-
HDFC TERM LOAN (003LN06223210002)	Quarterly	7	22	88	66	-	-
HDFC TERM LOAN (003LN06223350002)	Quarterly	7	2	10	7	-	-
HDFC TERM LOAN (003LN06223460001)	Quarterly	7	1	3	3	-	-
HDFC TERM LOAN (003LN06223460002)	Quarterly	7	1	3	2	-	-
HDFC TERM LOAN (003LN06230300001)	Quarterly	7	51	203	152	-	-
HDFC TERM LOAN (003LN06230530001)	Quarterly	8	135	539	539	-	-
HDFC TERM LOAN (003LN06230790003)	Quarterly	7	35	141	106	-	-
HDFC TERM LOAN (003LN06230880002)	Quarterly	8	45	180	180	-	-
HDFC TERM LOAN (003LN06232090002)	Quarterly	8	44	178	178	-	-
HDFC TERM LOAN (003LN06231770001)	Quarterly	8	66	265	265	-	-
HDFC TERM LOAN (003LN06231250001)	Quarterly	8	57	227	227	-	-
HDFC TERM LOAN (003LN06232690003)	Quarterly	8	82	328	328	-	-
HDFC TERM LOAN (003LN06233410003)	Quarterly	8	14	55	55	-	-
<b>Auto Loans</b>				<b>28</b>	<b>31</b>	<b>23</b>	<b>2</b>
HDFC BANK AUTO LOAN (140561271)	Monthly	26	1	11	12	2	-
HDFC BANK AUTO LOAN (140278006)	Monthly	37	1	13	14	16	1
HDFC BANK AUTO LOAN (140564556)#	Monthly	37	0	2	3	3	0
HDFC BANK AUTO LOAN (140561385)#	Monthly	37	0	2	2	2	0
<b>Total</b>				<b>2,684</b>	<b>2,466</b>	<b>23</b>	<b>2</b>

# less than ₹ 50000

- 2) Working capital borrowings from banks are repayable on demand.
- 3) Preference Shares are redeemable with a put and call option available to the Shareholders and the Issuer Company for early redemption.

## Notes to the Standalone Financial Statements

### Note 14 Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note no. 35)	17,916	15,867
Additions of lease liabilities	18,122	6,887
Interest expense on lease liabilities	1,829	986
Deletions of lease liabilities	(2,061)	(2,038)
Payment of lease liabilities	(3,928)	(3,786)
<b>Total</b>	<b>31,878</b>	<b>17,916</b>
<b>The break-up of current and non-current lease liabilities is as follows:</b>		
Current Lease liabilities	2,841	1,906
Non Current Lease liabilities	29,037	16,010

### Note 15 Provisions

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>				
Gratuity (unfunded) (refer note no. 32)	381	350	24	17
Provision for compensated absences (Unfunded)	110	-	24	-
<b>Total</b>	<b>491</b>	<b>350</b>	<b>48</b>	<b>17</b>

### Note 16 Trade Payable

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding dues of micro and small enterprises*	2,364	1,224
Outstanding dues of creditors other than micro and small enterprises	24,881	33,021
Outstanding dues to related parties (Refer note no. 33)	253	111
<b>Total</b>	<b>27,498</b>	<b>34,356</b>

\* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March 2024/31<sup>st</sup> March 2023, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

#### Note 16.1 Trade Payables due for payment ageing schedule

As at 31 <sup>st</sup> March 2024	Outstanding for following periods from due date of transaction*				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (refer note no. 38)	2,364	-	-	-	2,364
(ii) Others	25,101	31	2	-	25,134
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>27,465</b>	<b>31</b>	<b>2</b>	<b>-</b>	<b>27,498</b>

As at 31 <sup>st</sup> March 2023	Outstanding for following periods from due date of transaction*				
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (refer note no. 38)	1,224	-	-	-	1,224
(ii) Others	33,116	3	13	-	33,132
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>34,340</b>	<b>3</b>	<b>13</b>	<b>-</b>	<b>34,356</b>

\* There are no specific due date of payment specified in respect of trade payables, as such the trade payables ageing schedule is prepared on the basis of date of transaction.

# Notes to the Standalone Financial Statements

## Note 17 Other financial liabilities - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	81	36
<b>Other payables</b>		
<b>Payable to employees</b>		
- to related parties (Refer note no. 33)	80	58
- to other employees	408	361
<b>Other liabilities</b>		
Commission Payable on Inland Sales	2,050	1,620
Audit Fees Payable	8	14
Rent Payable	59	48
Outstanding Liabilities #	415	431
Security Deposit against Capital Goods	179	-
Security deposits - from Franchisee	13,335	12,168
Derivative Instruments carried at FVTOCI		
Foreign currency forward contract		
-Cash Flow Hedges	46	31
<b>Total</b>	<b>16,661</b>	<b>14,767</b>

# Outstanding Liabilities include Shop Running Expenses Payable of ₹ 235 Lakhs, Electricity charges payable of ₹ 56 Lakhs and Other Payables of ₹ 124 Lakhs

## Note 18 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Received From Customers	252	117
Statutory Dues Payable*	221	240
CSR Payable (refer note no. 34)	35	-
Refund Against Returns	354	-
<b>Total</b>	<b>862</b>	<b>357</b>

\* Statutory dues payable includes contribution to provident fund, ESI and tax deducted at source, etc.

## Note 19 Current tax liabilities/(assets) (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax (net)	158	-
<b>Total</b>	<b>158</b>	<b>-</b>

### Gross movement in current tax liabilities/(assets)

Particulars	As at March 31, 2024	As at March 31, 2023
Net current tax liabilities/(assets) at the beginning of the year	-	-
Provision for current tax	5,882	-
Advance tax paid	(5,724)	-
<b>Current tax liabilities/(assets)</b>	<b>158</b>	<b>-</b>

## Notes to the Standalone Financial Statements

### Note 20 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products (Footwears, Garments and allied products)	1,83,181	1,45,871
Other operating revenues*	6	11
<b>Total</b>	<b>1,83,187</b>	<b>1,45,882</b>

\*Other Operating revenue includes Export Incentives and Job work Income received.

### Reconciliation of Revenue recognised :-

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contracted For :-	1,83,535	1,45,871
Adjustment for :-		
Refund Liability	354	-
<b>Total</b>	<b>1,83,181</b>	<b>1,45,871</b>

### Note 21 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income	59	53
<b>Other income</b>		
-Ceaser of Lease Liability	256	119
-Others	962	479
<b>Total</b>	<b>1,277</b>	<b>651</b>

### Note 22 Cost of material consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Material Consumed	5,731	11,300
Stores & Spares	108	101
<b>Total</b>	<b>5,839</b>	<b>11,401</b>

Detail of Material Consumed	For the year ended 31 March 2024	For the year ended 31 March 2023
Shoe Material	4,582	9,034
Packing Material	1,149	2,266
<b>Total</b>	<b>5,731</b>	<b>11,300</b>

### Note 23 Purchases of Stock-in-Trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of Stock-in-Trade (Footwears, Garments and allied products)	1,01,079	93,049
<b>Total</b>	<b>1,01,079</b>	<b>93,049</b>

# Notes to the Standalone Financial Statements

## Note 24 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Inventories at the end of the year</b>		
Stock-in-Trade	74,445	62,261
Finished Goods	224	525
Right to recover returned goods	212	-
Stock-in-Process	141	158
	75,022	62,944
<b>Inventories at the beginning of the year</b>		
Stock-in-Trade	62,261	35,939
Finished Goods	525	702
Right to recover returned goods	-	-
Stock-in-Process	158	496
	62,944	37,137
<b>Change in Inventories Decrease/(Increase)</b>	<b>(12,078)</b>	<b>(25,807)</b>

## Note 25 Employee Benefits Expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary & Wages (Including Bonus & Leave encashment)*	8,631	6,230
Contribution to Provident and Other Funds	167	154
Staff Welfare Expenses	354	263
<b>Total</b>	<b>9,152</b>	<b>6,647</b>

\*For Gratuity refer note no - 32

## Note 26 Finance Cost

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense:		
- On Working Capital Loan	1,005	219
- On Term Loan	224	112
- On Vehicles Loan	10	10
-Other Borrowing Cost	176	117
-Interest on lease liabilities	1,829	986
<b>Total</b>	<b>3,244</b>	<b>1,444</b>

## Note 27 Depreciation and Amortisation Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of Property, Plant and Equipment	2,384	2,228
Depreciation of right-of-use-assets	3,492	2,216
<b>Total</b>	<b>5,876</b>	<b>4,444</b>



## Notes to the Standalone Financial Statements

### Note 28 Other Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Job Work Expenses	1,590	2,238
Commission on Sales	27,387	22,205
Freight and Transport	7,460	4,896
Power and Fuel	1,459	1,442
Selling & Advertisement Expenses	4,921	2,687
Rent	560	432
Bank charges credit card	407	300
Repair and Maintenance (other than building & machinery)	994	650
Repairs to buildings	94	14
Repairs to machinery	20	25
Traveling & Conveyance Expenses	585	473
Insurance	271	194
Security Expenses	361	261
Postage & Courier	94	133
Telephone & Telex	61	66
Legal & Professional Charges	523	433
Auditor's Remuneration*	32	15
Rates and Taxes, excluding taxes on income	300	365
Printing & Stationery	147	84
Donation and Subscription	9	23
(Profit)/Loss on Sale of Property, plant and equipment	14	(13)
Miscellaneous Expenses	330	67
Balance written off	392	-
Software and Information Technology Expenses	70	124
Loading and Unloading Expenses	231	118
Loss on Cancellation of FWD Contract	119	-
CSR Expenses (Refer Note 34)	182	-
Loss of Partnership	10	11
<b>Total</b>	<b>48,623</b>	<b>37,243</b>

\*Payment to Auditors (Included in legal and professional expenses above)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory Audit <sup>#</sup>	28	13
Tax Audit	4	2
<b>Total</b>	<b>32</b>	<b>15</b>

<sup>#</sup>It includes ₹ 5 lakh paid to erstwhile auditor.

# Notes to the Standalone Financial Statements

## Note 29 Current tax and deferred tax

### (a) Income tax recognised in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax</b>		
In respect of current period	5,882	4,600
<b>Total (A)</b>	<b>5,882</b>	<b>4,600</b>
<b>Deferred tax</b>		
In respect of current period	(133)	(95)
<b>Total (B)</b>	<b>(133)</b>	<b>(95)</b>
<b>Total Income tax expense (A+B)</b>	<b>5,749</b>	<b>4,505</b>

### (b) Income tax recognised in other Comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax (assets)/liability</b>		
On remeasurement loss of defined benefit obligation	6	1
Net movement in effective portion of cash flow hedge reserve	5	80
<b>Total</b>	<b>11</b>	<b>81</b>

### (c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	22,729	18,112
Income tax expense calculated at 25.168% (Previous year 25.168%)	5,720	4,558
Income tax impact of expenses not considered for tax purpose	462	63
Income tax impact of Income not considered for tax purposes	(76)	(41)
Income tax impact of expenses availed on payment basis	37	8
Income tax impact of depreciation	(315)	6
Income tax impact of allowances of permanent nature	54	6
<b>Tax expense charged to statement of profit and loss at effective rate of 25.88% (Previous Year 25.40%)</b>	<b>5,882</b>	<b>4,600</b>

### (d) Movement in deferred tax balances

Particulars	As at 1-Apr-2023	Recognised in statement of Profit and loss	Recognised in OCI	As at 31-Mar-2024
<b>Deferred tax liabilities</b>				
Tax on timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax	254	425	-	679
Tax on Right to use Asset	4,372	3,199	-	7,571
<b>Gross deferred tax liabilities (A)</b>	<b>4,626</b>	<b>3,624</b>	<b>-</b>	<b>8,250</b>
<b>Deferred tax assets</b>				
Tax on Lease Liabilities	4,393	3,629		8,022
Others - Provisions	8	128		136
Tax on Cash flow hedge Reserve	7	-	5	12
Tax on Remeasurement gain/(loss) of defined benefit obligation	1	-	6	7
<b>Gross deferred tax assets (B)</b>	<b>4,409</b>	<b>3,757</b>	<b>11</b>	<b>8,177</b>
<b>Net Deferred tax (Asset)/Liabilities (A-B)</b>	<b>217</b>	<b>(133)</b>	<b>(11)</b>	<b>73</b>

## Notes to the Standalone Financial Statements

### Note 30 Earning per share

The Earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	16,980	13,607
(b) Weighted Average number of equity shares (in number)	13,82,01,900	13,82,01,900
(c) Weighted average number of equity shares in computing diluted earning per share (in number)	13,82,01,900	13,82,01,900
Basic Earnings per share (₹) (a/b)	12.29	9.85
Diluted Earnings per share (₹) (a/c)	12.29	9.85
Face Value per equity share (₹)	2	2

### Note 31 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A Contingent liabilities</b>		
(i) Claims not acknowledged as debts#	644	Nil
(ii) Letter of Credit issued in favour of others	728	970
<b>Total</b>	<b>1,372</b>	<b>970</b>
<b>B Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	1,050	4,215

# List of statutory dues which have not been deposited on account of any dispute and all the cases are related to pre-demerger period and exist in the name of Mirza International Limited (Transferee Company).

Particulars	Nature of the dues	Amount as at 31 March 2024	Period to which the amount relates	Forum where dispute is pending
Gujarat VAT	VAT	12.86	2016-17	Deputy Commissioner
Kerala VAT	VAT	4.91	2012-13	Deputy Commissioner
Rajasthan GST	GST	15.06	2017-18	Rectification Filed with GST State Tax officer
Bihar GST	GST	17.85	2017-18	First Appellate Authority
Delhi GST	GST	581.48	2018-19	Rectification Filed with GST State Tax officer
Chhattisgarh GST	GST	9.57	2018-19	Appeal to be filed
Assam GST	GST	1.92	2018-19	First Appellate Authority

# Notes to the Standalone Financial Statements

## Note 32 Employee benefits

### A. Defined benefit plan

#### -Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31-March-2024 and 31-March-2023.

#### (i) Changes in the present value of the obligation:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Opening balance of the present value of defined benefit obligation	367	-
Add: Current service cost	39	37
Add: Interest cost	26	24
Add: Acquisitions	-	332
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	5	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	5	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	15	5
Less: Benefits paid	(52)	(31)
<b>Closing balance of the present value of defined benefit obligation</b>	<b>405</b>	<b>367</b>

#### (ii) Changes in the fair value of plan assets:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Plan assets at beginning of period	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Benefits paid	-	-
<b>Plan assets at the end of period</b>	<b>-</b>	<b>-</b>

#### (iii) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Present value of the defined benefit obligation as at the end of the year	405	367
Fair value of plan assets as at the end of the year	-	-
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>405</b>	<b>367</b>

#### (iv) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Current service cost	39	37
Interest cost	26	24
<b>Expense recognised in the statement of profit and loss</b>	<b>65</b>	<b>61</b>

## Notes to the Standalone Financial Statements

### (v) Re-measurement of the net defined benefit liability / (asset):

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	25	5
Actuarial (gain)/loss for the year on plan assets	-	-
Total Actuarial (gain)/loss at the end of the year	25	5

### (vi) Bifurcation of actuarial (gain) / loss:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Actuarial (Gain) / loss on arising from change in demographic assumption	5	-
Actuarial (Gain) / loss on arising from change in financial assumption	5	-
Actuarial (Gain) / loss on arising from change in experience assumption	15	5

### (vii) The key assumptions used in the calculations are as follows :

Particulars	2023-24	2022-23
<b>1. Financial Assumptions</b>		-
Discount Rate	6.97% p.a.	7.20% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.
<b>2. Demographic Assumptions</b>		
Mortality Rate (% of IALM 2012-14)	1	1
Normal Retirement Age	58 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

(viii) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

### (ix) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	453	365	414	327
% change compared to base due to sensitivity	11.68%	-9.92%	12.86%	-10.81%
Salary Growth Rate (- / + 1%)	365	452	326	415
% change compared to base due to sensitivity	-9.87%	11.46%	-11.23%	13.15%
Attrition Rate (- / + 50%)	401	409	362	372
% change compared to base due to sensitivity	-1.08%	0.95%	-1.37%	1.19%
Mortality Rate (- / + 10%)	405	406	366	368
% change compared to base due to sensitivity	-0.17%	0.17%	-0.22%	0.22%

# Notes to the Standalone Financial Statements

## (x) Maturity Profile (based on undiscounted cashflows):

Particulars	As at 31 March 2024
1 Year	24
2 to 5 Years	88
6 to 10 Years	191
More than 10 Years	709

## (xi) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk :** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972(as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

## (xii) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Current liability (amount due within one year)	24	17
Non-current liability (amount due over one year)	381	350
Total PBO at the end of year	405	367

## B. Defined contribution plan

### Contribution to Provident Fund

The company has recognized an expense of ₹ 167 lakhs (Previous year ₹ 154 lakhs) in respect of contribution to Provident Fund.

## Notes to the Standalone Financial Statements

### Note 33 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

#### A. Related party and their relationship:-

##### Key Management Personnel:

i	Whole time directors	Mr. Rashid Ahmed Mirza	Chairman
		Mr. Shuja Mirza	Managing Director
		Mr. Arvind Verma	Executive Director
		Ms. Sunanda Singh	Executive Director (w.e.f. 01.08.2023)
		Mr. Narendra Prasad Upadhyay	Executive Director (upto 31.08.2023)
ii	Non Executive directors	Dr. Rajshree Saxena	Independent Director
		Mr. Sanjay Bhalla	Independent Director
		Dr. Yashvir Singh	Independent Director
		Mr. Subhash Chander Sapra	Independent Director
iii	Chief Financial Officer	CA Abhinav Jain	
iv	Company Secretary	Mr. Akhilendra Bahadur Singh	(w.e.f. 08.12.2023)
		Mr. Nand Kishore	(w.e.f. 22.07.2023 and upto 01.09.2023)
		Ms. Sakshi Mehta	(w.e.f. 01.09.2023 and upto 07.10.2023)
		Ms. Nandita Singh	(upto 17.07.2023)

#### Related parties

##### Nature of relationship

i	Overseas Subsidiaries	REDTAPE Bangla Limited (Formerly known as Mirza Bangla Limited) REDTAPE HK Limited- Incorporated as on 04.08.2023
ii	Overseas Step-down subsidiaries	REDTAPE London Limited (Subsidiary of REDTAPE HK Limited) - Incorporated as on 14.11.2023 REDTAPE (QUANZHOU) SPORTS GOODS CO. LTD (Subsidiary of REDTAPE HK Limited) - Incorporated as on 29.02.2024
iii	Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	Sen En Mirza Industrial Supply Chain LLP (Under Process of Strike Off) Shoemac Leather Tech Engineers Ltd. Euro Footwear Pvt. Ltd Olive Shoes Private Limited World Wear Products Gempack Enterprises Asian Traders RTS Fashion FZE, UAE
iv	Trust	Mirza Foundation

# Notes to the Standalone Financial Statements

## B. Details of transactions entered into with related parties during the year and details of balances outstanding as at the end of the year as required by Ind AS 24 on “Related Party Disclosures” of Companies (Indian Accounting Standards) Rules 2015.

S.No.	Particulars	Transactions	Outstanding	Dr./Cr.	Transactions	Outstanding	Dr./Cr.
		Apr 2023 - March 2024	Apr 2023 - March 2024		Apr 2022 - March 2023	Apr 2022 - March 2023	
<b>1</b>	<b>Purchase</b>						
	Euro Footwear Pvt. Ltd.	-	-		463	38	Cr.
	Gempack Enterprises	164	14	Cr.	185	13	Cr.
	Shoemac Leather Tech Eng. Ltd.	7	1	Cr.	17	3	Cr.
	World Wear Products	-	-		283	-	
	Mirza International Ltd.	3467	236	Cr.	2840	57	
	Asian Traders	2	1	Cr.	-	-	
<b>2.</b>	<b>Purchase - Other</b>						
	Sen en Mirza Industrial Supply Chain LLP	78	-		-	-	
<b>3.</b>	<b>Sales</b>						
	Euro Footwear Pvt. Ltd.	-	-		226	-	
	Gempack Enterprises	1	-		2	-	
	RTS FASHION FZE-DUBAI	189	54	Dr	154	122	Dr.
	Asian Traders	-	-		1	1	Dr.
	World Wear Products	-	-		37	-	
	Mirza International Ltd.	395	-		619	-	Dr.
	Olive Shoes Private Limited	31	2	Dr	-	-	
<b>4.</b>	<b>Sales- Others</b>						
	Mirza International Ltd.	27	-		-	-	
<b>5.</b>	<b>Job work expenses</b>						
	Mirza International Ltd.	1	-		-	-	
<b>6.</b>	<b>Job work income</b>						
	Mirza International Ltd.	2	-		-	-	
<b>7.</b>	<b>Rent &amp; Maintenance charges Paid</b>						
	Mirza International Ltd.	453	-		510	-	
<b>8.</b>	<b>Reimbursement of Expenses- Receivable</b>						
	Mirza International Ltd.	24	-		-	-	
<b>9.</b>	<b>Reimbursement of Expenses-Payable</b>						
	Mirza International Ltd.	65	-		614	-	
<b>10.</b>	<b>Managerial Remuneration*</b>						
	<b>Directors Remuneration</b>						
	Mr. Shuja Mirza	840	70	Cr	600	50	Cr
	Mr. Arvind Verma	75	5	Cr	66	4	Cr
	Mr. Narendra Prasad Upadhyay	28	-		43	4	Cr
	Ms. Sunanda Singh	14	1	Cr			
<b>11.</b>	<b>Managerial Remuneration</b>						
	Mr. Abhinav Jain	34	2	Cr			
	Ms. Nandita Singh	3	-				
	Ms. Sakshi Mehta	1	-				
	Mr. Nand Kishore	-	-				
	Mr. Akhilendra Bahadur Singh	4	1	Cr			
	<b>Director Sitting Fees</b>						
	Mr. Sanjay Bhalla	2	-				
	Mr. Subhash Chandra Sapra	2	-				
	Mr. Yashvir Singh	2	-				
	Ms. Rajshree Saxena	1	-				
<b>12.</b>	<b>CSR</b>						
	Mirza Foundation	102	-				

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

\*(ii) Long-term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Group's gratuity policy and are eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.



## Notes to the Standalone Financial Statements

### Note 34 Details of Corporate social responsibility (CSR) Expenditure

Particulars	As at March 31, 2024	As at March 31, 2023
a) Gross amount required to be sent as per section 135 of the Act	182	-
b) Details of amount spent during the year :		
Promoting quality education in schools	86	-
Promoting healthcare	23	-
Promoting skill development	38	-
Promoting cultural activities#	-	-
c) Details of amount un-spent during the year:		
Promoting cultural activities*	35	-
d) Details of related party transactions during the year:		
Mirza Foundation	102	-

# less than ₹ 50,000

\* (i) Reasons of shortfall: The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2023-24

(ii) The shortfall amount is on account of funds that are allocated to the ongoing projects initiated during the current year and being unspent as at 31-Mar-2024 has been transferred to the unspent CSR account within 30 days from the end of financial year in accordance with the Companies Act 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

### Note 35 Leases

#### Right-of-use assets and Lease Liability:

This note provides information for leases where the company is a lessee. The Company leases various warehouses and retail stores. Rental contracts are generally made for fixed periods of five years to twelve years

Information about leases for which the company is a lessee is presented below:

The changes in the carrying value of ROU assets for the year ended 31 March 2024 are as follows :

Particulars	Amount
<b>Balance as on 31 March 2022</b>	<b>13,668</b>
Addition for the new leases	6,909
Depreciation charge for the year	(2,216)
Deletions for terminated leases	(1,445)
<b>Balance as on 31 March 2023</b>	<b>16,916</b>
Addition for the new leases	18,465
Depreciation charge for the year	(3,492)
Deletions for terminated leases	(1,812)
<b>Balance as on 31 March 2024</b>	<b>30,077</b>

The aggregate depreciation expense on ROU assets amounting to ₹ 3,492 Lakhs is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in the lease liabilities during the year ended 31 March 2024:

Particulars	Amount
<b>Balance as on 31 March 2022</b>	<b>15,867</b>
Addition for New leases	6,887
Accreditation of Interest	986
Payment of Lease Liability	(3,786)
Deletions for Terminated Leases	(2,038)
<b>Balance as on 31 March 2023</b>	<b>17,916</b>
Addition for New leases	18,122
Accreditation of Interest	1,829
Payment of Lease Liability	(3,928)
Deletions for Terminated Leases	(2,061)
<b>Balance as on 31 March 2024</b>	<b>31,878</b>

# Notes to the Standalone Financial Statements

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 on an undiscounted basis:

<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>Amount</b>
Less than one year	31,15
After one year but not longer than five years	108,22
More than five years	66,36
<b>Balance as on 31 March 2023</b>	<b>205,73</b>
Less than one year	51,12
After one year but not longer than five years	209,68
More than five years	185,65
<b>Balance as on 31 March 2024</b>	<b>446,45</b>

**Lease liabilities included in the financial statement as follows:**

<b>Particulars</b>	<b>Amount</b>
Current	19,06
Non-Current	160,10
<b>Balance as on 31 March 2023</b>	<b>179,16</b>
Current	28,41
Non-Current	290,37
<b>Balance as on 31 March 2024</b>	<b>318,78</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## Variable Lease Payment

Some leases contain variable payment terms that are linked to sales generated from a store. For some individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 8% to 10% of sales. Variable payments terms are used for a variety of reasons, including minimizing the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Expenses relating to short-term leases and expenses relating to variable lease payments not included in lease liabilities (included in other expenses) were ₹ 560 Lakhs (31 March 2023- ₹ 432 Lakhs).

As at Balance Sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees, and leases not commenced to which lessee is committed.

## Note 36 Financial risk management objective and policies

The financial assets of the company include loans, trade and other receivables, security deposits and cash and bank balances that derive directly from its operations. The financial liabilities of the company, other than derivatives, include loans and borrowings, trade payables and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the company. The Company also enters into derivative transactions.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company.

The company is mainly exposed to the following risks that arise from financial instruments:

- A. Market risk (including currency risk, interest rate risk and other price risk)**
- B. Liquidity risk**
- C. Credit risk**

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

### A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes

## Notes to the Standalone Financial Statements

and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors. There have been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

### (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency.

The company imports finished goods from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently, the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Company also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency (USD \$)	Amount	Foreign currency (USD \$)	Amount
Trade Receivable	1	54	2	122
Trade Payable	256	21,693	343	28,202
<b>Net exposure</b>	<b>255</b>	<b>21,639</b>	<b>341</b>	<b>28,080</b>

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency (USD \$)	Amount	Foreign currency (USD \$)	Amount
Trade Receivable	1	54	2	122
Trade Payable	-	-	-	-
<b>Net exposure</b>	<b>1</b>	<b>54</b>	<b>2</b>	<b>122</b>

### Foreign currency sensitivity analysis

Any changes in the exchange rate of USD against ₹ is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against ₹	1	(1)	2	(2)

Foreign currency forward contracts held by the company as on reporting date:

Particulars	As at March 31, 2024	As at March 31, 2023
In USD*	335	718
In INR	28,106	59,664

\*For highly probable forecast purchase transactions and trade payable.

### Derivatives designated as hedging instruments

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. The Company has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

# Notes to the Standalone Financial Statements

## Cash flow hedges

During the current year ended 31 March 2024 and previous year ended 31 March 2023, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure. The Company does not use forward contracts for speculative purposes. The Counterparty for such contracts is generally a bank.

The foreign exchange forward contract balances vary with the level of expected foreign currency purchase and changes in foreign exchange forward rates. The fair value of derivative financial instruments is as follows:

Particulars	31 March 2024 Liabilities	31 March 2023 Liabilities
Fair value of foreign currency forward exchange	46	31

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast purchase transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

The cash flow hedges of the forecasted purchase transactions during the year ended 31 March 2023 were assessed to be highly effective and unrealized loss of ₹ 19 lakh (Previous year ₹ 310 lakh), with a deferred tax charge of ₹ 5 lakh (Previous year ₹ 80 lakh) relating to the hedging instruments, is included in other comprehensive income.

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31 March 2024		As at 31 March 2023	
	USD	₹	USD	₹
Not later than one month	55	4,615	108	8,780
Later than one month and not later than three months	30	2,516	192	15,975
Later than three months and not later than one year	250	20,975	418	34,909

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

Particulars	Financial Year	
	2023-24	2022-23
Opening balance of cash flow hedge reserve	(23)	207
Effective portion of changes in fair value arising from Foreign exchange forward contracts	131	(152)
Amount to be reclassified to profit or loss	(150)	(158)
Tax effect	5	80
Closing balance of cash flow hedge reserve	(37)	(23)

During the year ended 31 March 2024 and 31 March 2023 the company has designated certain foreign exchange contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31 March 2024 are expected to occur and reclassified to statement of profit and loss within one year.

The company determines the existence of economic relationship between the hedging instrument and hedged item based on the currency, amount and timings of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

# Notes to the Standalone Financial Statements

## (b) Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

### Interest Rate Risk Exposure

Particulars	As at 31 March 2024		As at 31 March 2023	
	(₹ in Lakhs)	% of Total	(₹ in Lakhs)	% of Total
Fixed Rate Borrowings	-	-	-	-
Variable Rate Borrowings (includes the working capital loan from bank)	16,055	100%	8,070	100%
Total Borrowings	16,055	100%	8,070	100%

### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Increase in 100 basis point	161	81
Decrease in 100 basis point	(161)	(81)

## B. Liquidity Risk

Financial liabilities of the company include borrowings, lease liabilities, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

### Liquidity Risk Management

The Management of the Company is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company monitors its risk of shortage of funds to meet the financial liabilities. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Borrowings including current maturities (Other than Preference Shares)</b>		
Less than 1 year	2,684	1,635
1-3 year	2,489	3,050
3-5 year	2	21
More than 5 years	-	-
<b>(Non-cumulative) Compulsorily Redeemable Preference Shares</b>		
Less than 1 year	1	1
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Lease Liabilities</b>		
Less than 1 year	2,841	1,906
1-3 years	6,838	4,194
3-5 years	7,419	4,627

# Notes to the Standalone Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
More than 5 years	14,780	7,189
<b>Short term borrowings</b>		
Less than 1 year	10,880	3,364
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Trade Payables</b>		
Less than 1 year	27,498	34,356
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Other Financial liabilities</b>		
Less than 1 year	16,661	14,767
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-

## C. Credit risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The Company is exposed to credit risk from trade receivables, security deposit to landlord & cash and bank balances.

### (a) Trade receivables

Sales to retail customers are required to be settled in cash or using credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. For non-retail customers and sale through E-Commerce portal, the Company assesses the credit quality of the customer and E-Commerce Portal, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings by the management. The compliance with credit limits by customers is regularly monitored by line management.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The credit risk to the Company is limited in cases of retail sales since they are in nature of cash and carry and for non-retail sales, the Company's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

### (b) Other Financial Assets

With regards to all the financial assets with contractual cashflows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible.

Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Company's maximum exposure to credit risk for the components of the financial assets as at 31 March 2024 and 31 March 2023 is to the extent of their respective carrying amounts as disclosed in respective notes

## Note 37 Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings.

## Notes to the Standalone Financial Statements

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings including current maturities and interest accrued but not due	16,137	8,107
Less: Cash & cash equivalent and other bank balances	821	1,485
Net debt (A)	15,316	6,622
Total equity (B)	63,217	46,611
Gearing ratio (A/B)	0.24	0.14

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 Mar 2024 and 31 Mar 2023.

### Note 38 Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (as amended till date) have been determined based on the confirmations received in response to intimation in this regard sent by the Company to the suppliers.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006 (as amended till date), certain disclosures are required to be made relating to Micro, Small and Medium Enterprises.

No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2024.

Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006 beyond the statutory period of 45 days

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,364	1,224
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	Nil	Nil
The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23	Nil	Nil

# Notes to the Standalone Financial Statements

## Note 39 Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

Particulars	Note No.	As at 31 March 2024			Total Carrying Value	Total Fair Value
		Amortised Cost	FVTOCI	FVTPL		
<b>Financial assets</b>						
Investments	5	42			42	42
Security deposits	6	1,136			1,136	1,136
Trade receivables	9	9,048			9,048	9,048
Cash and cash equivalent	10	821			821	821
Others	6	12			12	12
<b>Total</b>		<b>11,059</b>			<b>11,059</b>	<b>11,059</b>
<b>Financial liabilities</b>						
Term loan from bank including current maturities	13	5,175			5,175	5,175
Security deposits - for franchise	17	13,335			13,335	13,335
(Non-cumulative) Compulsorily Redeemable Preference Shares	13	1			1	1
Security Deposit Capital Assets	17	179			179	179
Lease Rent Liabilities	14	31,878			31,878	31,878
Working Capital Loan from banks	13	10,880			10,880	10,880
Trade Payable	16	27,498			27,498	27,498
Foreign exchange forward contracts	17		46		46	46
Others	17	3,101			3,101	3,101
<b>Total</b>		<b>92,047</b>	<b>46</b>		<b>92,093</b>	<b>92,093</b>



## Notes to the Standalone Financial Statements

Particulars	Note No.	As at 31 March 2023			Total Carrying Value	Total Fair Value
		Amortised Cost	FVTOCI	FVTPL		
<b>Financial assets</b>						
Investments	5	96			96	96
Security deposits	6	1,091			1,091	1,091
Trade receivables	9	8,411			8,411	8,411
Cash and cash equivalent	10	1,485			1,485	1,485
Others	6	44			44	2,188
<b>Total</b>		<b>11,127</b>			<b>11,127</b>	<b>11,127</b>
<b>Financial liabilities</b>						
Term loan from bank including current maturities	13	4,706			4,706	4,706
Security deposits - for franchise	17	12,168			12,168	12,168
(Non-cumulative) Compulsorily Redeemable Preference Shares	13	1			1	1
Security Deposit Capital Assets	17	-			-	-
Lease Rent Liabilities	14	17,916			17,916	17,916
Working Capital Loan from banks	13	3,364			3,364	3,364
Trade Payable	16	34,356			34,356	343,56
Foreign exchange forward contracts	17		31		31	31
Others	17	2,568			2,568	2,568
<b>Total</b>		<b>75,079</b>	<b>31</b>		<b>75,110</b>	<b>75,110</b>

**(b) Basis of Fair value of Financial assets and liabilities**

**(i) Fair value hierarchy**

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

## Notes to the Standalone Financial Statements

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-March-2024

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>					Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign exchange forward contracts at fair value through OCI	46		46	-	
<b>Total</b>	46		46	-	

As at 31-March-2023

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>					Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign exchange forward contracts at fair value through OCI	31		31	-	
<b>Total</b>	31		31	-	

### Notes:

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- ii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

**Note 40** The main business of the Company is retailing/ trading of merchandise which primarily consist of apparels and footwears. All other operating activities of the Company are incidental to its main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

**Note 41** In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

## Notes to the Standalone Financial Statements

### Note 42 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 "Statement of Cash Flows" for the period beginning on 1 April 2017

Sr. No.	Particulars	Current Borrowing	Non-current borrowing including current maturities
	<b>Opening balance of Financial liabilities as on 1<sup>st</sup> Apr 2023 Coming under the financing activities of Cash Flow Statement</b>	<b>3,364</b>	<b>4,706</b>
	<b>Changes during the year</b>		
a)	Changes from financing cash flow	7,516	469
b)	Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c)	The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d)	Changes in fair value	-	-
e)	Other changes	-	-
f)	Processing fee amortized	-	-
	<b>Closing balance of Financial liabilities as on 31<sup>st</sup> Mar 2024 coming under the financing activities of Cash Flow Statement</b>	<b>10,880</b>	<b>5,175</b>

Sr. No.	Particulars	Current Borrowing	Non-current borrowing including current maturities
	<b>Opening balance of Financial liabilities as on 1<sup>st</sup> Apr 2022 coming under the financing activities of Cash Flow Statement</b>	<b>1,144</b>	<b>1,706</b>
	<b>Changes during the year</b>		
a)	Changes from financing cash flow	2,220	3,000
b)	Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c)	The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d)	Changes in fair value	-	-
e)	Other changes	-	-
f)	Processing fee amortized	-	-
	<b>Closing balance of Financial liabilities as on 31<sup>st</sup> Mar 2023 coming under the financing activities of Cash Flow Statement</b>	<b>3,364</b>	<b>4,706</b>

**Note 43** "The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective."

# Notes to the Standalone Financial Statements

## Note 44 Additional regulatory information required by Schedule III to the Act:

- (i) The Company is holding title deed of all Immovable Properties held in its own name except for the following:

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Rs. In Lakh)	Held in the name of	Whether title deed holder is promoter, director or their relative or employee	Property held since -indicate range, where appropriate	Reason for not being held in the name of the Company
Right-of-use assets	Leasehold Land -Plot No.8, Sector-90, Noida	333	Mirza International Limited	No	1 <sup>st</sup> January 2022	Title deeds are in the name of erstwhile transferee company i.e. Mirza International Limited.
Right-of-use assets	Leasehold Land -Plot No.4,5, 36&35, Sector 59, Noida	182	Mirza International Limited	No	1 <sup>st</sup> January 2022	

The Company is operating certain retail stores where the respective lease agreements were made in the name of M/s Mirza International Limited (Transferee Company). The company is in process of preparing addendum to the said lease agreements to incorporate the name of the Company as lessee.

- ii) The Company is not holding any investment property.
- iii) The Company has not revalued any of its Property, Plant & Equipment and Right of use assets.
- iv) The Company has not revalued any of its Intangible Assets
- v) The Company has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.
- vi) The Company does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Company as at 31-Mar-2024 for holding any benami property.
- vii) The quarterly returns of current asset filed by the Company with Banks in agreement with the financial statements.
- viii) The Company has never been declared as wilful defaulter by any bank or financial institution or other lenders.
- ix) The company does not have any relationship with any struck off company.
- x) All the charges are duly registered with the ROC within the prescribed time under the Companies Act 2013 & Rules made there under.
- xi) As at 31-Mar-2024, the Company have following subsidiary companies i.e.
- Redtape Bangla Limited
  - Redtape HK Limited
  - Redtape London Limited (Step down subsidiary – Wholly Owned Subsidiary of Redtape HK Limited)
  - Redtape (Quanzhou) Sports Goods Co. Limited (Step down subsidiary – Wholly Owned Subsidiary of Redtape HK Limited)

The Company is in compliances of requirement of number of layer of companies.

- xii) There is no scheme of Arrangement approved during the year.
- xiii) The company has not received any share premium amount and the term loan availed during the year has been applied for the purpose for, which, they were obtained. The working capital borrowing has been utilised by the company in its own business, the company has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.
- xiv) The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- xv) There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

## Notes to the Standalone Financial Statements

**Note 45** The Company is a partner in Sen En Mirza Industrial Supply Chain LLP. The details in respect of its Partners, total capital and the share of each partner is as follows:

S.No.	Name of partner	Profit Sharing Ratio	Capital Balance As at 31 March 2024	Capital Balance As at 31 March 2023
1.	REDTAPE Limited	99%	-	55
2.	Alberto Alvarez Hernandez	0%	-	8
3.	Kamal Hans	1%	-	-

**Note 46** The Company deals in Fashion Items such as Footwear, Apparel, Accessories etc. Company has made its sales network through its retail stores pan India at various remote locations. The Company operates these retail stores, through its owned stores or stores operated by its Franchisee. Due to remote locations and volumes of transactions, there are few instances where employees of the company misappropriated the Cash of the sale proceeds of the retail store.

During the year there are no such cases reported ( In previous year three cases reported amounting ₹19.01 lakh which constitute even less than 0.01% of the total sales proceeds of company owned stores). This is general trend of the industry.

**Note 47** The company has complied with the provisions of Section 186(4) of the companies act, 2013 in respect of investments made (refer note no:5)

**Note 48** Previous year figures have been regrouped/ recasted/ rearranged wherever necessary to conform its classification of the current year.

**Note 49** Figures in bracket indicate deductions.

# Notes to the Standalone Financial Statements

## Note 50 Financial Ratios:

The following are analytical ratios for the year ended 31 March-2024 and 31 March 2023:

Sl. No.	Ratio	Numerator	Denominator	Unit	2023-24	2022-23	% Change	Reasons for variance more than 25%
1	Current Ratio	Current Assets	Current Liabilities	Times	1.46	1.37	6.30%	Not Applicable
2	Debt-equity ratio	Total Debt*	Shareholder's Equity	Times	0.25	0.17	46.68%	Variance in ratio is due to increase in loan amount.
3	Debt service coverage ratio	Earnings available for debt service	Interest+ Lease Repayment + Lease payments of long-term borrowings	Times	2.72	2.33	16.60%	Not Applicable
4	Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	%	30.92	34.09	-9.30%	Not Applicable
5	Inventory turnover ratio	Sales	Average Inventory	Times	2.61	2.81	-6.94%	Not Applicable
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	20.98	20.80	0.90%	Not Applicable
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	3.46	3.64	-5.02%	Not Applicable
8	Net capital turnover ratio	Sales	Working Capital (Current Assets-Current Liabilities)	Times	6.53	7.01	-6.87%	Not Applicable
9	Net profit ratio	Net Profit after taxes	Sales	%	9.27	9.33	-0.63%	Not Applicable
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth+Total Debt*+Deferred Tax Liability)	%	32.73	35.62	-8.11%	Not Applicable
11	Return on investment	Income generated from invested funds	Average Investments	%	-14.49	-10.84	33.73%	Variance in ratio is due to decrease in investment amount.

\* For Calculation of Total Debt, Lease Liabilities accounted as per Ind AS 116 has been excluded.

Note: 1. The above mentioned analytical ratios for F.Y. 2022-23 at s.no.. 1 and 8 are being restated due to regrouping of previous year figure.

2. The ratio mentioned at s. no. 3, 4 & 10 is being restated for F.Y. 2022-23 due to change in formula.

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors**

**Aditya Kumar**

Partner

M.No. 506955

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

# Independent Auditor's Report

To,

The Members of  
**REDTAPE LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying Consolidated Financial Statements of REDTAPE Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024 and their consolidated profit, their consolidated total comprehensive

income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.no. Key Audit Matter	Auditors' Response
<p><b>1. Revenue recognition:</b></p> <p>Refer note 20 of the Consolidated Financial Statements. The Holding Company's revenue relates to retail sales through a large number of Company owned retail outlets, franchisee outlets, E Commerce Portals and non-retail business across the country which is comprised high volume of transactions. This increases the risk of revenue being recognised inaccurately. A proper process for accounting sales revenue is critical in order to mitigate risk of error.</p> <p>For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Holding Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise.</p> <p>Also, recognition of revenue requires determination of the net selling price after considering forecast of sales returns and discounts. The estimate of sales returns and discounts depends on the Holding Company's return policy, contract terms, forecast of sales volumes and past history of quantum of return.</p> <p>Considering the above-mentioned factors, appropriateness of revenue recognition has been considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Holding Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs.</p> <p>We tested the sale transactions on a sample basis, by examining the underlying documents such as sales invoice, customer contracts, shipping/dispatch documents along with proof of delivery and agreeing them with the cash / credit card / online receipts and bank deposits.</p> <p>We evaluated the Holding Company's policy for returns and performed an analysis of trend for sales return in case of the business and tested appropriateness of the provision for sales return as at the year-end.</p> <p>Based on above procedures, we observed that sales revenue has been properly recognized by the Holding Company.</p>
<p><b>2 Right of Use Assets and Lease Liabilities</b></p> <p>Refer note 4, 14 and 35 of the Consolidated Financial Statements. The Holding Company act as a lessee in large number of leases so accounting of Right of use assets and Lease liabilities has a significant impact on the Consolidated Financial Statements. A number of judgements have been applied and estimates made in determining the impact of right of use assets and lease liabilities (mainly to assess the applicable discount rate).</p> <p>We considered the accounting of Right of use assets and Lease liabilities as a key audit matter due to the material nature of leases and the significance of the management's judgements in determining the applicable discount rate.</p> <p>Additionally, there is a risk that the lease data which is used in the calculation of Right of use assets and Lease liabilities is incomplete or inaccurate.</p>	<p><b>Principal Audit Procedures:</b></p> <p>We evaluated the design and operating effectiveness of key controls around accounting for leases in accordance with the Holding Company's accounting policy.</p> <p>We reviewed the management assumptions, specifically on the assumptions underlying determination of the discount rates used to calculate the lease obligation.</p> <p>We assessed the accuracy of the lease data by testing the lease data captured by management for a sample of leases through the inspection of lease documentation.</p> <p>We tested the completeness of the lease data by reconciling the Holding Company's existing lease commitments to the lease data used for determining right of use assets and lease liabilities.</p> <p>We evaluated whether the disclosures included in the notes to the Consolidated Financial Statements are in conformity with the applicable standard.</p>



## **INFORMATION OTHER THAN FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as we have not received any other information namely Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance as the case may be from the Holding Company.

When we read the other information as stated in above para, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on

whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in section titled 'Other Matter' in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and the subsidiaries regarding,

among other matters, the planned scope and timing of the audit and significant audit findings, including any significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

1. The Comparative Consolidated Financial Statements of the Group for the year ended March 31, 2023 included in these financial statements were audited by the predecessor auditor, who, vide their audit report dated May 30, 2023 expressed unqualified opinion on these financial statements.
2. All the subsidiaries are located outside India whose financial results and other information have been prepared in accordance with accounting principles generally accepted in their country and which have been provided by the management of the subsidiary under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial results and other information of such subsidiaries located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have verified these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balance and affairs of such subsidiaries located outside India is based on the report of other auditor.
3. The consolidated financial results include audited financial results of one subsidiary whose financial information reflect total assets of Rs. 1937 Lakhs as at 31<sup>st</sup> March 2024, total revenues from operations of Rs. 1105 Lakhs for the year ended 31<sup>st</sup> March 2024, total net profit /(loss) after tax of Rs. 645 Lakhs for the year ended 31<sup>st</sup> March 2024, total comprehensive income of Rs. 658 Lakhs for the year ended 31<sup>st</sup>

March 2024 and net cash inflow of Rs. 150 Lakhs for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated financial statements. These financial results have been audited by other auditor, whose report has been furnished to us by the management and our opinion on the statement, in so far it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary company is based solely on the report of other auditors and the procedures performed by us as stated in paragraph above.

4. The consolidated financial results include unaudited financial results of three subsidiaries whose financial information reflect total assets of Rs. Nil Lakhs as at 31<sup>st</sup> March 2024, total revenues from operations of Rs. Nil Lakhs for the year ended 31<sup>st</sup> March 2024, total net profit/(loss) after tax of Rs. (1) Lakhs for the year ended 31<sup>st</sup> March 2024, total comprehensive income of Rs. (1) for the year ended 31<sup>st</sup> March 2024 and net cash outflow of Rs. 1 Lakhs for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated financial statements. These financial results have not been audited and have been certified by the management. According to information and explanations given to us by the management, these financial results are not material to the group.

Our opinion on the statement is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and financial results certified by the management

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by so far as it appears from our examination of those books and the report of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the

purpose of preparation of the Consolidated Financial Statements.

- In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors of the Holding Company are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position – Refer Note 31
- The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Holding Company.
- (a) The respective Managements of the Holding Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or

- any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective Managements of the Holding Company have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Holding Company has neither declared nor paid any dividend during the year.
- vi. Based on our examination which included test checks, performed by us, the Holding Company have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
3. In our opinion and according to the information and explanation given to us, all the Subsidiaries of the Holding Company are incorporated outside India and as such Companies (Auditor's Report) Order, 2020 is not applicable to them. In respect of Holding Company, there are no qualification or adverse remarks in its CARO report.

For and on behalf of  
**Ashwani & Associates**  
 Chartered Accountants  
 Firm Registration Number: 000497N

by the hand of  
**Aditya Kumar**  
 Partner  
 Membership No.:506955  
 UDIN: 24506955BKCNT5181

Place: Ludhiana  
 Dated: May 29, 2024

## Annexure 'A' To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of REDTAPE Limited of even date)

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Financial Statements of REDTAPE Limited ("the Holding Company") as of March 31, 2024 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Holding Company.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal control with reference to Consolidated

Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
**Ashwani & Associates**  
Chartered Accountants  
Firm Registration Number: 000497N

by the hand of  
**Aditya Kumar**  
Partner  
Membership No.:506955  
UDIN: 24506955BKCNT5181

Place: Ludhiana  
Dated: May 29, 2024

## Consolidated Balance Sheet

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, plant and equipment	3.1	34,482	19,902
b Capital work-in-progress	3.2	921	6,500
c Right-of-use assets	4	30,158	16,931
d Other intangible asset		-	1
e Intangible assets under development	3.3	819	609
f Financial assets:			
i. Investments	5	-	56
ii. Other financial assets	6	947	1,000
g Other non current assets	7	81	458
<b>Total Non-Current assets</b>		<b>67,408</b>	<b>45,457</b>
<b>2 Current assets</b>			
a Inventories	8	76,417	64,299
b Financial assets:			
i. Trade receivables	9	9,076	8,411
ii. Cash and cash equivalents	10	2,104	2,618
iii. Other financial assets	6	212	248
c Other current assets	7	3,620	2,871
<b>Total Current assets</b>		<b>91,429</b>	<b>78,447</b>
<b>TOTAL ASSETS</b>		<b>1,58,837</b>	<b>1,23,904</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity Share capital	11	2,764	2,764
b Other Equity	12	62,079	44,911
<b>Total Equity</b>		<b>64,843</b>	<b>47,675</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a Financial Liabilities			
i. Borrowings	13	2,491	3,071
ii. Lease liabilities	14	29,109	16,011
b Provisions	15	491	350
c Deferred tax liabilities (Net)	29	74	215
<b>Total Non-current liabilities</b>		<b>32,165</b>	<b>19,647</b>
<b>2 Current liabilities</b>			
a Financial Liabilities			
i. Borrowings	13	13,565	5,000
ii. Lease liabilities	14	2,841	1,918
iii. Trade Payables	16		
a. Total outstanding dues of micro enterprises and small enterprises		2,364	1,224
b. Total outstanding dues of creditors other than Micro enterprises and small enterprises		25,252	33,132
iv. Other financial liabilities	17	16,670	14,934
b Other current liabilities	18	862	357
c Provisions	15	48	17
d Current tax liabilities (net)	19	227	-
<b>Total current liabilities</b>		<b>61,829</b>	<b>56,582</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,58,837</b>	<b>1,23,904</b>
Corporate Information	1		
Material Accounting Policies	2		

See accompanying notes forming part of Consolidated Financial Statements

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors**

**Aditya Kumar**

Partner

M.No. 506955

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

# Consolidated Statement of Profit and Loss

(₹ in Lakh)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
<b>I Revenue from operations</b>	20	1,84,292	1,46,831
<b>II Other income</b>	21	1,305	652
<b>III Total Income (I + II)</b>		<b>1,85,597</b>	<b>1,47,483</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	5,839	11,401
Purchases of Stock-in-Trade	23	1,01,511	93,049
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(12,497)	(25,807)
Employee benefits expense	25	9,266	6,797
Finance costs	26	3,251	1,446
Depreciation & Amortization Expenses	27	5,924	4,444
Other expenses	28	48,679	37,243
<b>IV Total Expenses</b>		<b>1,61,973</b>	<b>1,28,573</b>
<b>V Profit/(loss) before exceptional items and tax (III-IV)</b>		<b>23,624</b>	<b>18,910</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>23,624</b>	<b>18,910</b>
<b>VIII Tax Expense</b>			
(1) Current tax	29	6,130	4,791
(2) Deferred tax	29	(130)	(96)
<b>IX Profit/(Loss) for the period (VII-VIII)</b>		<b>17,624</b>	<b>14,215</b>
<b>X Other comprehensive Income:</b>			
<b>a. Items that will not be reclassified to Profit or Loss</b>			
(i) Remeasurement gain/(loss) of defined benefit obligation		(25)	(5)
(ii) Income Tax relating to items that will not be reclassified to profit or loss	29	6	1
<b>b. Items that will be reclassified to Profit or Loss</b>			
(i) Net movement in effective portion of cash flow hedge reserve		(19)	(310)
(ii) Income Tax relating to items that will be reclassified to profit or loss	29	5	80
(iii) Exchange Difference on translating the financial statement of a foreign operation		13	
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>17,604</b>	<b>13,981</b>
<b>XII Earning per equity share of face value of ₹ 2 each</b>			
<b>Basic (in ₹)</b>	30	<b>12.75</b>	<b>10.29</b>
<b>Diluted (in ₹)</b>	30	<b>12.75</b>	<b>10.29</b>
Corporate Information	1		
Material Accounting Policies	2		

See accompanying notes forming part of Consolidated Financial Statements  
As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors**

**Aditya Kumar**

Partner

M.No. 506955

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhileendra Bahadur Singh**

(Company Secretary)

Noida



# Consolidated Statement of Changes In Equity

(All amounts in ₹ Lakh)

## (A) Equity Share Capital

(1) Current reporting period from 01-Apr-2023 to 31-Mar-2024

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period		Balance as at the end of the current reporting period
			Shares issued during the year	Cancelled during the year pursuant to the scheme of arrangement	
2,764	-	2,764	-	-	2,764

(2) Previous reporting period from 01-Apr-2022 to 31-Mar-2023

Balance as at beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the Previous reporting period		Balance as at the end of the previous reporting period
			Shares issued during the previous year pursuant to the scheme of arrangement	Cancelled during the previous year pursuant to the scheme of arrangement	
1	-	1	2,764	1	2,764

## (B) Other Equity

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	Capital Reserve	Retained Earnings	Remeasurement gain/(loss) of defined benefit obligation	Exchange Difference on translating the financial statement of a foreign operation	Effective Portion of cash flow hedge reserve	
<b>Balance as at March 31, 2022</b>	<b>27,712</b>	<b>2,905</b>	-		<b>207</b>	<b>30,824</b>
Add : Profit for the year 2022-23						<b>14,215</b>
Add : Remeasurement gain/(loss) of defined benefit obligation (net of tax impact)		14,215	(4)			<b>(4)</b>
Add : Net movement in effective portion of cash flow hedge reserve (net of tax impact)					(230)	<b>(230)</b>
Add : Income Tax Adjustment (Net)	106					<b>106</b>
<b>Balance as at March 31, 2023</b>	<b>27,818</b>	<b>17,120</b>	<b>(4)</b>		<b>(23)</b>	<b>44,911</b>
Add : Profit for the year 2023-24		17,624				<b>17,624</b>
Add : Remeasurement gain/(loss) of defined benefit obligation (net of tax impact)			(19)			<b>(19)</b>
Add : Net movement in effective portion of cash flow hedge reserve (net of tax impact)					(14)	<b>(14)</b>
Less : Income Tax Adjustment Previous Year (Net)	(436)					<b>(436)</b>
Add : Exchange Difference on translating the financial statement of a foreign operation					13	<b>13</b>
<b>Balance as at Mar 31, 2024</b>	<b>27,382</b>	<b>34,744</b>	<b>(23)</b>	<b>13</b>	<b>(37)</b>	<b>62,079</b>

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**Aditya Kumar**

Partner

M.No. 506955

Place : Ludhiana

 Date : 29<sup>th</sup> May, 2024

 206

**For & on behalf of the board of Directors**
**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

**CS Akhileendra Bahadur Singh**

(Company Secretary)

Noida

# Consolidated Statement of Cash Flow

(All amounts in ₹ Lakh)

Particulars	As at	
	March 31, 2024	March 31, 2023
	(₹ in Lakh)	
<b>(A) CASH FROM OPERATING ACTIVITIES</b>		
Net profit before tax	23,624	18,910
Adjustments for		-
Add :		
Net Loss on Investment	10	-
(Profit)/Loss on sale of Property, Plant & Equipment	14	(13)
Depreciation & amortisation expenses	5,924	4,444
Finance cost and income (net)	3,190	1,245
Unrealised foreign exchange (gain)/loss on foreign currency rate fluctuation	(151)	(158)
	<b>8,987</b>	<b>5,518</b>
Less :		
Ceaser of Lease Liability	256	119
<b>Operating Profit before Working Capital Changes</b>	<b>32,355</b>	<b>24,309</b>
<b>Adjustments For</b>		
(Increase)/Decrease in Trade & other Receivables	(267)	(3,769)
(Increase)/Decrease in Inventory	(12,119)	(24,634)
(Increase)/Decrease in Trade Payables	(6,745)	17,132
(Increase)/Decrease in Others	1,491	4,259
<b>Cash Generated from Operations</b>	<b>14,715</b>	<b>17,297</b>
Direct Taxes Paid	(6,278)	(4,602)
Cash flow before extra ordinary items	8,437	12,695
<b>Net Cash generated from Operating Activity</b>	<b>8,437</b>	<b>12,695</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment including intangible assets and Capital work-in-progress	(11,951)	(14,585)
Sale of Property, Plant & Equipment including intangible assets and Capital work-in-progress	335	1,306
Interest & Other Income Received	11	533
Proceeds from Sale of Investment	44	-
<b>Net Cash used in Investing Activities</b>	<b>(11,561)</b>	<b>(12,746)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Repayment or Proceeds from Long Term Borrowings	(580)	1,919
Net Proceeds from Short Term Borrowing	8,564	3,301
Lease repayment	(3,960)	(3,219)
Finance cost	(1,414)	(758)
Net cash used in financing activities	<b>2,610</b>	<b>1,243</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(514)	1,192
Cash & Cash Equivalents at the beginning of the year	2,618	1,426
Cash & Cash Equivalents at the end of the year	<b>2,104</b>	<b>2,618</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	335	183
Balances with banks:		
- On current accounts	1,769	2,339
- On deposit accounts with original maturity of less than 3 months	-	96
	<b>2,104</b>	<b>2,618</b>

See accompanying notes forming part of Consolidated Financial Statements

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**Aditya Kumar**

Partner

M.No. 506955

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**For & on behalf of the board of Directors**

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

# Notes Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31st MARCH, 2024

## 1) Corporate information

REDTAPE Limited ('The Company' or "the Holding Company") (CIN - L74101UP2021PLC156659) is a public limited company incorporated in India on 8<sup>th</sup> Dec, 2021 having its registered office located at Plot No. 08, Sector 90, Noida - 201301, Uttar Pradesh, India.

The Company, its subsidiaries (together referred to as the "Group" and its joint venture are engaged in the business of retail sale of Footwear, Garments & apparels and allied products and is also a manufacturer of footwear.

Its equity shares are listed on the Bombay Stock Exchange and National Stock Exchange in India.

The consolidated financial statements for the year ended March 31, 2024 are approved for issuance by Company's Board of Directors on May 29, 2024.

## 2) (i) Material accounting policies

### I) Statement of compliance

These consolidated financial statements of the Group have been prepared & comply with all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended & other relevant provisions of the Act.

### II) Basis of preparation of Consolidated financial statements

These consolidated financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability

in an ordinary transactions between market participants at the measurement date.

The consolidated financial statements (CFS) comprise the financial statements of the Company and its Subsidiaries and Joint Venture. Subsidiaries are entities controlled by the Group.

The CFS of the Group have been prepared in accordance with the Indian Accounting Standards on "Consolidated Financial Statements" (Ind AS 110) and "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act, 2013.

The Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing

# Notes Annexed to and forming part of Consolidated Financial Statements

the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary and joint venture, the subsidiary and joint venture prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary and joint venture, unless it is impracticable to do so.

## Consolidation procedures for subsidiaries:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the Parent of the Group and to the non- controlling interests, even if

this results in the non- controlling interests having a deficit balance. Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Holding Company.

## Equity Accounted Investees:

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised

# Notes Annexed to and forming part of Consolidated Financial Statements

gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

When the Group's share of losses of joint venture equals or exceeds its interest in that joint venture (which includes any long-term interest that, in substance, forms part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the joint venture is shown on the face of the Consolidated Statement of Profit and Loss separately.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the Consolidated Statement of Profit and Loss.

## Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## III) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Holding Company operates ("functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the functional currency of the Holding Company.

# Notes Annexed to and forming part of Consolidated Financial Statements

## IV) Use of estimates and judgements

The preparation of the consolidated financial statements requires the Management to make certain estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Accounting estimates could change from period to period. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements

## V) Property, plant & equipment

(i) Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment of the Group are valued at cost of acquisition or construction net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes purchase price, borrowing cost of Capitalization allocated / apportioned direct and indirect expenses incurred in relation to bringing the fixed assets to its working condition for its intended life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying

amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognized.

The useful lives, residual values and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

(ii) Capital Work in Progress – All costs attributable to the assets or incurred in relation to the assets under completion are aggregated under Capital work in progress to be allocated to individual assets on completion.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress

## VI) Intangible assets

Intangible assets acquired separately are measured in initial recognition at cost. Following initial recognition, intangibles, intangible assets are carried at cost less any accumulated

# Notes Annexed to and forming part of Consolidated Financial Statements

amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting period.

### Subsequent measurement (amortization)

The cost of capitalized software is amortized over a period of 5 years from the date its put to use.

The cost of usage rights is being amortized over the concession period in the proportion in which the actual revenue received during the accounting year bears to the projected revenue from such intangible assets till the end of concession period.

## VII) Depreciation and Amortization

Leasehold improvements at stores are depreciated on straight line basis over the period of lease or useful life (usually not exceeding 9 years), whichever is lower.

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except intangible assets, assets held under lease and in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

Category	Useful Life
Plant and Machinery and Solar Power Plant	10 to 25 years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

The residual values are not more than 5% of the original cost of the asset. The assets

residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## VIII) Impairment of Non-financial assets

The Group assess at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the

# Notes Annexed to and forming part of Consolidated Financial Statements

asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

## IX) Dividend to equity holders of the Group

The Group recognizes a liability to make dividend distributions to equity holders of the Holding Company when the distribution is authorized and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India a distribution is authorized when it is approved by the shareholders, However, Board of Directors of a Holding Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognized directly in equity.

## X) Leases

The Group's lease assets largely contain leases for buildings/showrooms taken for warehouses and retail stores Group also has taken Land as lease from Development Authorities. At inception of a contract, the Group assesses whether a contract contains a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, then the contract is considered as lease. Following factors are considered to determine whether a contract conveys the right to control the use of an identified asset:

- (i) The contract encompasses the use of an identified asset;
- (ii) The Group has extensively all of the economic benefits from use of the asset during the period of the lease; and
- (iii) The Group is in position to direct the use of the asset.

On the beginning of the lease, except for leases with a term of twelve months or less and low value leases, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease provisions in which it is a lessee.

For leases with a term of twelve months or less and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Where the lease provisions include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities adjusted only when it is reasonably certain that they will be exercised.

The ROU assets are initially accounted for at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Subsequently they are measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying ROU asset. Whenever events or changes in circumstances designate that their carrying amounts may not be recoverable ROU assets are evaluated for recoverability.

Variable lease payments that depend on sales are recognized in profit or loss in the period which the condition that triggers those payment occurs.

The lease liabilities at the commencement are measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates or risk-free rate as the case may be. Lease liabilities are re-measured with a consistent change to the related ROU asset if the Group changes its appraisal about exercise of option for extension or termination.

Lease liabilities and ROU assets have been presented separately in the Balance Sheet and lease payments have been classified as financing cash flows.

## XI) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



# Notes Annexed to and forming part of Consolidated Financial Statements

## a. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition. However, the trade receivables that doesn't contain a significant financing component are measured at transaction price.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

## b. Subsequent measurement

### - Non-derivative financial instruments

#### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

#### (iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### - Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 (Business Combinations) applies are classified as at FVTPL. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### - Financial assets or financial liability at fair value through profit or loss

This category has financial assets or liabilities which are not designated as hedges.

# Notes Annexed to and forming part of Consolidated Financial Statements

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

## - Derivative financial instruments and hedge accounting

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the consolidated financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond twelve months.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently

remeasured to their fair value at the end of each reporting period.

The Group adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognized immediately in the statement of profit and loss.

## When hedge accounting is applied:

- For fair value hedges of recognized assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognized in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- For cash flow hedges, the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

# Notes Annexed to and forming part of Consolidated Financial Statements

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

## - Equity share capital

### Equity shares

Equity shares issued by the Group are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

### De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

### Fair Value of Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transactions between market participants at the measurement date.

Fair value measurement under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the assets or liability, either directly or indirectly and

Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statement if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

# Notes Annexed to and forming part of Consolidated Financial Statements

## Dividend Income

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

## Interest Income

Interest income is recognized on time proportion basis taking in to account the amount outstanding and rate applicable.

## XII) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group assesses at each date of balance sheet whether a financial asset is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## XIII) Borrowing and borrowing cost

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period

of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets, all other Borrowing cost are charged to the Statement of Profit & Loss. Borrowing costs comprise of interest and other costs incurred in connection with borrowing of funds.

## XIV) Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

## XV) Inventories

**Manufactured Goods:** Raw materials, components, stores and spares, and packing materials are valued at lower of cost or net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on a weighted average cost basis.

**Traded Goods:** Traded goods, work-in-progress and finished goods are valued at cost or net realizable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.

# Notes Annexed to and forming part of Consolidated Financial Statements

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

**Goods in Process:** At cost plus estimated value addition/cost of conversion at each major stage of production.

## **Net Realizable Value of inventory**

The Group has defined policy for provision on inventory based on obsolete, damaged and slow-moving inventories. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

## **Provision on Inventory –**

The Group has defined policy for provision on inventory for each of its business by differentiating the inventory into core and non – core (fashion) and sub categorized into finished goods and raw materials. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods

## **XVI) Foreign currency transactions**

### **(i) Financial Instruments**

Derivative financial instruments such as forward contracts, option contracts and cross currency swaps, to hedge its foreign currency risks are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the Statement of Profit and Loss in the period when they arise.

### **(ii) Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

## **XVII) Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

## **XVIII) Revenue Recognition**

### **(i) Revenue from sale of goods and services**

Revenue from contracts with customer is recognized when control of goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act, 2013, duties levy like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the Group has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price Concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Group reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario, and based on the management’s assessment of market conditions.

For e-commerce sales, it is the Group’s policy to sell its products to the end

# Notes Annexed to and forming part of Consolidated Financial Statements

customer with a right of return within 10 to 20 days. Therefore, a refund liability in relation to expected returns (included in other current liabilities- refund liabilities) and a right to recover the returned goods (included in other current assets) are recognized for the products expected to be returned. Past experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Revenue from related party is recognized based on transaction price which is at arm's length.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

## (ii) Export incentives

The revenue in respect of export benefits is recognized on post export basis at the rate at which the entitlements accrue.

## (iii) Insurance and other claims

Insurance and other claims are recognized when there exists no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

## XIX) Employee benefits

### a. Short-term obligations

Liabilities for wages and salaries, including non- monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts

expected to be paid when the liabilities are settled.

### b. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognized in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognized in the period, in which the absences occur.

### c. Post-employment obligations

The Group operates the following post-employment schemes:

- (1) Defined benefit plans such as gratuity; and
- (2) Defined contribution plans such as provident fund etc.

### Gratuity

The liability recognized in the balance sheet in respect of defined benefit gratuity is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in

# Notes Annexed to and forming part of Consolidated Financial Statements

retained earnings in the statement of changes in equity and in the balance sheet.

## Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred and deposited with the Government Provident Fund Scheme.

## Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

## XX) Accounting for taxes on income

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have

been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

## XXI) Earnings per share

Basic earnings per equity share are computed by dividing the net profit attributable after tax to the equity holders of the Holding Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed by dividing the net profit after tax attributable to the equity holders of the Holding Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

# Notes Annexed to and forming part of Consolidated Financial Statements

## XXII) Provisions and contingent liabilities

### Provision:

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

### Contingent Liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

- (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) The amount of the obligation cannot be measured with sufficient reliability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

### Contingent Asset:

Contingent asset is neither recognized nor disclosed in the financial statements.

## XXIII) Government Grant

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are accounted for as deferred Income by crediting the same to a specific reserve and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

The reserve to these Grants is diminished every year by a prorate portion of the depreciation of the assets, to amortize the grant over due life of the assets. Where the Grants carry conditions of specific performance, the contingent aspect is disclosed in due notes to the accounts.

## XXIV) Operating cycle for current and non-current classification

Operating cycle for the business activities of the Group covers the duration of the specific product line/ service including the defect liability period wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

## 2) (ii) New and amended standards adopted by the Group

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of consolidated financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 2) (iii) Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. This note provides detailed information of the areas that involved a higher



## Notes Annexed to and forming part of Consolidated Financial Statements

degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. The areas involving critical judgements are:

### **Defined benefit plans estimates**

The cost of the defined benefit gratuity plan compensated absences and other post-employment defined benefits (Provident Fund) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In

determining the appropriate discount rate for plans, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 32.

### **Net Realisable Value of inventory**

The Group has defined policy for provision on inventory based on obsolete, damaged and slow-moving inventories. The Group provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.

# Notes to the Consolidated Financial Statements

## Note 3.1 Property, Plant and Equipment

Particulars	Land Freehold	Land Leasehold	Leasehold Improvements	Buildings	Plant & Machinery	Tools & Shoe Lasts	Electrical Installation	Furniture & Fixtures	Office Equipment	Computers	Vehicles	Total
Gross carrying value as at 01-Apr-2022	187	1,291	-	6,968	5,215	351	656	9,465	908	579	722	26,341
Additions	-	-	-	1,034	2,547	-	267	2,871	313	118	188	7,339
Disposals	-	-	-	(730)	-	-	-	(372)	(52)	-	(152)	(1,306)
Transfer to ROU	-	(1,291)	-	-	-	-	-	-	-	-	-	(1,291)
Gross carrying value as at 31-Mar-2023	187	-	-	8,002	7,032	351	923	11,964	1,169	697	758	31,083
Additions	-	-	216	9,250	1,862	17	1,273	3,975	376	323	20	17,312
Disposals	-	-	-	-	(471)	(200)	-	(310)	(18)	(18)	-	(1,017)
Gross carrying value as at 31-Mar-2024	187	-	216	17,252	8,423	168	2,196	15,629	1,527	1,002	778	47,378
Accumulated depreciation as at 01-Apr-2022	-	295	-	1,914	2,244	313	263	3,480	436	434	264	9,643
Depreciation charge for the year	-	-	-	200	529	-	52	1,002	204	65	176	2,228
On disposals	-	-	-	-	(238)	(19)	-	(60)	(8)	-	(70)	(395)
Transfer to ROU	-	(295)	-	-	-	-	-	-	-	-	-	(295)
Accumulated depreciation as at 31-Mar-2023	-	-	-	2,114	2,535	294	315	4,422	632	499	370	11,181
Depreciation charge for the year	-	-	11	311	481	59	106	1,073	181	97	79	2,398
On disposals	-	-	-	-	(320)	(200)	-	(137)	(9)	(17)	-	(683)
Accumulated depreciation as at 31-Mar-2024	-	-	11	2,425	2,696	153	421	5,358	804	580	449	12,896
Net carrying value as at 01-Apr-2022	187	996	-	5,054	2,971	38	393	5,985	472	145	458	16,698
Net carrying value as at 31-Mar-2023	187	-	-	5,888	4,497	57	608	7,542	537	198	388	19,902
Net carrying value as at 31-Mar-2024	187	-	205	14,827	5,727	15	1,775	10,271	724	423	329	34,482

### Notes :

- a) Property, plant and equipment pledged/hypothecated as security for borrowing by the Company (refer note no. 13)  
b) Borrowing cost capitalised for the year ended 31 March 2024 ₹ 267 Lakh ( 31 March 2023: ₹ 90 Lakh)

# Notes to the Consolidated Financial Statements

## Note 3.2 Capital Work In Progress

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	6,500	2,259	(7,838)	921
Previous year	1,223	5,277	-	6,500

### Capital-Work-in-Progress (CWIP) aging schedule

Particulars	Amount in CWIP for a Period of				Balance as at 31 <sup>st</sup> March 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Project in Progress</b>					
-Bhiwandi Warehouse	65				65
-Retail Stores	135				135
-Unnao Refinishing & Packaging Unit	686				686
-Noida Refinishing & Packaging Unit		35			35
<b>Total</b>	<b>886</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>921</b>

Particulars	Amount in CWIP for a Period of				Balance as at 31 <sup>st</sup> March 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Project in Progress</b>					
-Unnao Refinishing & Packaging Unit	6,412				6,412
-Noida Refinishing & Packaging Unit	88				88
<b>Total</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>

## Note 3.3 Intangible Asset Under Development

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	609	210	-	819
Previous year	483	126	-	609

### Intangible Assets under Development aging schedule

Particulars	Amount in CWIP for a Period of				Balance as at 31 <sup>st</sup> March 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Asset details:</b>					
Software (SAP)	210	186	140	283	819
<b>Total</b>	<b>210</b>	<b>186</b>	<b>140</b>	<b>283</b>	<b>819</b>

Particulars	Amount in CWIP for a Period of				Balance as at 31 <sup>st</sup> March 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Asset details:</b>					
Software (SAP)	126	148	111	224	609
<b>Total</b>	<b>126</b>	<b>148</b>	<b>111</b>	<b>224</b>	<b>609</b>

# Notes to the Consolidated Financial Statements

## Note 4 Right-of-Use Assets\*

Particulars	Building	Total
<b>Gross carrying value as at 01-Apr-2022</b>	<b>20,342</b>	<b>20,342</b>
Additions	6,924	6,924
Termination or Disposals	(3,801)	(3,801)
<b>Gross carrying value as at 31-Mar-2023</b>	<b>23,465</b>	<b>23,465</b>
Additions	18,564	18,564
Termination or Disposals	(3,262)	(3,262)
<b>Gross carrying value as at 31-Mar-2024</b>	<b>38,767</b>	<b>38,767</b>
<b>Accumulated depreciation as at 01-Apr-2022</b>	<b>6,662</b>	<b>6,662</b>
Depreciation for the year	2,216	2,216
Depreciation on termination or Disposals	(2,344)	(2,344)
<b>Accumulated depreciation as at 31-Mar-2023</b>	<b>6,534</b>	<b>6,534</b>
Depreciation for the year	3,526	3,526
Depreciation on termination or Disposals	(1,451)	(1,451)
<b>Accumulated depreciation as at 31-Mar-2024</b>	<b>8,608</b>	<b>8,608</b>
<b>Net carrying value as at 31-Mar-2023</b>	<b>16,931</b>	<b>16,931</b>
<b>Net carrying value as at 31-Mar-2024</b>	<b>30,158</b>	<b>30,158</b>

\* Refer note no. 35 and 44 (i)

## Note 5 Investments (non-current)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Investments in subsidiaries carried at cost</b>		
<b>Unquoted Equity instruments</b>		
<b>Face value of HKD \$ 1/- each</b>		
Redtape HK Limited		
10,000 Equity shares (previous year Nil Equity shares)	-	-
Sen En Mirza Industrial Supply Chain LLP	-	56
Current Year Share of Profit Ratio Redtape Limited - 99% Mr. Kamal Hans - 1% (previous year Share of Profit Ratio: Redtape Limited - 52% Mr. Alberto Alvarez Hernandez - 48%)		
<b>Total</b>	<b>-</b>	<b>56</b>
<b>Aggregate amount of quoted investments and market value of quoted investments</b>	<b>-</b>	<b>-</b>
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>56</b>
<b>Aggregate amount of impairment in value of investment</b>	<b>-</b>	<b>-</b>

## Note 6 Other financial assets

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>				
<b>Security Deposits</b>				
Security Deposit - Rent	817	875	200	204
Security Deposit - Others	130	125		
Export incentives/ other receivables from Government Authorities	-	-	4	5
Advances to Employees	-	-	8	39
<b>Total</b>	<b>947</b>	<b>1,000</b>	<b>212</b>	<b>248</b>

## Notes to the Consolidated Financial Statements

### Note 7 Other assets

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good</b>				
Capital advances	81	458		
Advances against supply of goods and services			467	727
Balance and deposits with Government Department and others	-	-	2,763	2,045
Right to recover returned goods	-	-	212	-
Prepaid Expenses	-	-	178	99
<b>Total</b>	<b>81</b>	<b>458</b>	<b>3,620</b>	<b>2,871</b>

### Note 8 Inventories\*

Particulars	As at March 31, 2024	As at March 31, 2023
a. Raw Materials and components	1,157	1,324
b. Work-in-progress	141	158
c. Finished goods	224	525
d. Stock-in-trade**	74,864	59,759
e. Goods-in transit	-	2,503
f. Stores and spares	31	30
<b>Total</b>	<b>76,417</b>	<b>64,299</b>

\* Valued at cost or net realisable value, whichever is lower

\*\*During the year, an amount of ₹ 163 lakh was charged to the Consolidated statement of profit and loss (included in changes in inventories of finished goods, stock-in-trade and work-in-progress) on account of obsolete, damaged and slow moving inventories.

All inventories of company have been hypothecated to secure borrowings of the company (refer note 13)

### Note 9 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivable - Related Parties (refer note no. 33)	57	123
Trade receivables considered good- unsecured (other than related parties)	9,019	8,288
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables- credit impaired	-	-
	9,076	8,411
Less: Allowances for expected credit loss and doubtful receivables	-	-
<b>Total</b>	<b>9,076</b>	<b>8,411</b>

All book debts have been hypothecated to secure borrowings of the company (refer note 13)

# Notes to the Consolidated Financial Statements

## Note 9.1 Trade Receivable outstanding ageing schedule

As at 31<sup>st</sup> March 2024

Particulars	Outstanding for following periods from due date of transaction*					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Good	8,704	361	9	-	2	9,076
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>8,704</b>	<b>361</b>	<b>9</b>	<b>-</b>	<b>2</b>	<b>9,076</b>
<b>Less: Allowances for expected credit loss and doubtful receivables</b>						<b>-</b>
<b>Total Trade receivables</b>						<b>9,076</b>

As at 31<sup>st</sup> March 2023

Particulars	Outstanding for following periods from due date of transaction*					Total
	Less than 6 Months	6 Months - 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered Good	7,759	648	2	1	1	8,411
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>7,759</b>	<b>648</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>8,411</b>
<b>Less: Allowances for expected credit loss and doubtful receivables</b>						<b>-</b>
<b>Total Trade receivables</b>						<b>8,411</b>

\* There are no specific due dates of payment specified in respect of trade receivables. As such, the trade receivables ageing schedule is prepared on the basis of date of transaction.

## Note 10 Cash And Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
A. Balances with banks - In Current Account	1,769	2,339
B. Balances with banks held as margin money against borrowings and other commitments* - On deposit accounts with original maturity of less than 3 months	-	96
C. Cash in hand	335	183
<b>Total</b>	<b>2,104</b>	<b>2,618</b>

\* Fixed Deposits are pledged with the Bank as margin money for LCs

# Notes to the Consolidated Financial Statements

## Note 11 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised equity share capital</b>		
15,00,50,000 equity shares of INR 2/- each (31 March, 2023 15,00,50,000 equity shares of INR 2/- each)	3,001	3,001
	3,001	3,001
<b>Issued, Subscribed &amp; Paid up</b>		
13,82,01,900 Equity Shares of ₹ 2/- each fully paid up (31 March 2023 13,82,01,900 Equity Shares of ₹ 2/- each fully paid up)	2,764	2,764
<b>Total</b>	<b>2,764</b>	<b>2,764</b>

### Note 11.1 Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	No. of Shares (In Numbers)	Amount
<b>Outstanding as at 1 April 2022</b>	<b>50,000</b>	<b>1</b>
Share issued pursuant to the Scheme of arrangement (refer note 11.5)	13,82,01,900	2,764
Share cancelled pursuant to the Scheme of arrangement	50,000	1
Preference Shares converted into Equity Shares	-	-
Shares bought back during the year	-	-
<b>Outstanding as at 31 March 2023</b>	<b>13,82,01,900</b>	<b>2,764</b>
Shares Issued during the year	-	-
Shares Cancelled during the year	-	-
Preference Shares converted into Equity Shares	-	-
Shares bought back during the year	-	-
<b>Outstanding as at 31 March 2024</b>	<b>13,82,01,900</b>	<b>2,764</b>

### Note 11.2 Rights, preferences and restrictions attached to shares

#### Equity Shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has not declared any dividend during the year.

### Note 11.3 The details of shareholders holding more than 5% shares

Name of Shareholder	Equity Shares			
	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shuja Mirza	4,94,58,174	35.79%	1,11,04,149	8.03%
Rashid Ahmed Mirza	1,83,35,680	13.27%	1,83,35,680	13.27%
Yasmin Mirza	3,11,22,495	22.52%	57,70,200	4.18%
Shahid Ahmad Mirza	30,472	0.02%	2,20,85,875	15.98%
Tauseef Ahmad Mirza	89,000	0.06%	2,22,36,413	16.09%
Tasneef Ahmad Mirza	-	-	1,95,03,504	14.11%

# Notes to the Consolidated Financial Statements

## Note 11.4 Details of shares held by promoters and promoter group

### As at 31<sup>st</sup> March 2024

Name of the promoter/ Promoter group	Number of shares as at 01.04.2023	Change during the year	Number of shares as at 31.03.2024	% Holding as at year end	% Change during the year
Rashid Ahmed Mirza	1,83,35,680	-	1,83,35,680	13.27%	0.00%
Shahid Ahmad Mirza	2,20,85,875	-2,20,55,403	30,472	0.02%	-15.96%
Tauseef Ahmad Mirza	2,22,36,413	-2,21,47,413	89,000	0.06%	-16.03%
Tasneef Ahmad Mirza	1,95,03,504	-1,95,03,504	-	0.00%	-14.11%
Shuja Mirza	1,11,04,149	3,83,54,025	4,94,58,174	35.79%	27.75%
Yasmin Mirza	57,70,200	2,53,52,295	3,11,22,495	22.52%	18.34%
Fauzia Mirza	50,000	-	50,000	0.04%	0.00%
Nida Mirza	2,220	-	2,220	0.00%	0.00%
Haya Mirza	19,500	-	19,500	0.01%	0.00%
Iram Mirza	21,000	-	21,000	0.02%	0.00%
Firdaus Amin	50,000	-	50,000	0.04%	0.00%

### As at 31<sup>st</sup> March 2023

Name of the promoter	Number of shares as at 01.04.2022	Change during the year	Number of shares as at 31.03.2023	% Holding	% Change during the year
Mirza International Limited (Holding Company)	49,994	-49,994	-	0.00%	-100%
Rashid Ahmed Mirza	1*	1,83,35,679	1,83,35,680	13.27%	13.27%
Shahid Ahmad Mirza	1*	2,20,85,874	2,20,85,875	15.98%	15.98%
Tauseef Ahmad Mirza	1*	2,22,36,412	2,22,36,413	16.09%	16.09%
Tasneef Ahmad Mirza	1*	1,95,03,503	1,95,03,504	14.11%	14.11%
Shuja Mirza	1*	1,11,04,148	1,11,04,149	8.03%	8.03%
Yasmin Mirza	-	57,70,200	57,70,200	4.18%	4.18%
Fauzia Mirza	-	50,000	50,000	0.04%	0.04%
Nida Mirza	-	2,220	2,220	0.00%	0.00%
Haya Mirza	-	19,500	19,500	0.01%	0.01%
Iram Mirza	-	21,000	21,000	0.02%	0.02%
Firdaus Amin	-	50,000	50,000	0.04%	0.04%
Faraz Mirza	1*	-1	-	0.00%	0.00%

Note:\* as Nominee Shareholder on behalf of Mirza International Limited

**Note 11.5** Pursuant to the Scheme of arrangement the Company had issued 13,82,01,900 Equity Shares to the Shareholders of Mirza International Limited. On 31<sup>st</sup> March 2023 (Allotment date) Redtape Limited had issued one equity share for every equity share held of Mirza International Limited on the date of 29<sup>th</sup> March 2023 (Record date) for consideration other than cash.

**Note 11.6** There are no buy back of equity shares during the last one year.

**Note 11.7** There are no bonus shares issued during the last one year.

**Note 11.8** There is no holding / ultimate holding company of the company.



# Notes to the Consolidated Financial Statements

## Note 12 Other Equity

Other Equity	Reserves & surplus			Other Comprehensive Income		Total equity
	Capital Reserve	Retained Earnings	Remeasurement gain/(loss) of defined benefit obligation	Exchange Difference on translating the financial statement of a foreign operation	Effective Portion of cash flow hedge reserve	
<b>Balance as at March 31, 2022</b>	<b>27,712</b>	<b>2,905</b>	<b>-</b>		<b>207</b>	<b>30,824</b>
Add : Profit for the year 2022-23		14,215				<b>14,215</b>
Add : Remeasurement gain /(loss) of defined benefit obligation (net of tax impact)			(4)			<b>(4)</b>
Add : Effective Portion of cash flow hedge reserve (net of tax impact)					(230)	<b>(230)</b>
Add : Income Tax Adjustment (Net)	106					<b>106</b>
<b>Balance as at March 31, 2023</b>	<b>27,818</b>	<b>17,120</b>	<b>(4)</b>	<b>-</b>	<b>(23)</b>	<b>44,911</b>
Add : Profit for the year 2023-24		17,624				<b>17,624</b>
Add : Remeasurement gain /(loss) of defined benefit obligation (net of tax impact)			(19)			<b>(19)</b>
Add : Effective Portion of cash flow hedge reserve (net of tax impact)					(14)	<b>(14)</b>
Less : Income Tax Adjustment Previous Year (Net)	(436)					<b>(436)</b>
Add : Exchange Difference on translating the financial statement of a foreign operation				13		<b>13</b>
<b>Balance as at March 31, 2024</b>	<b>27,382</b>	<b>34,744</b>	<b>(23)</b>	<b>13</b>	<b>(37)</b>	<b>62,079</b>

### Nature and purpose of reserve

#### -Capital reserve

Surplus resulted pursuant to Scheme of Arrangement of Demerger.

#### -Retained earnings:

Retained earnings represents the net profits after all distributions and transfers to other reserves.

#### Other comprehensive income:

##### - Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

##### - Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

##### Foreign Currency Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.

# Notes to the Consolidated Financial Statements

## Note 13 Borrowings

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Term loans</b>				
<b>Secured</b>				
From Banks	2,435	2,985	2,656	1,603
From Banks (Auto Loan)	56	86	28	32
<b>Working capital loans repayable on demand</b>				
-From Banks	-	-	10,880	3,364
<b>Preference shares</b>				
9% Non-cumulative Compulsorily Redeemable Preference Shares of ₹ 2/- each	-	-	1	1
<b>Total</b>	<b>2,491</b>	<b>3,071</b>	<b>13,565</b>	<b>5,000</b>

- HDFC Bank term loans amounting to ₹ 5,091 Lakh secured by exclusive charge on moveable assets funded from HDFC Bank term loan, exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh) and Pari-passu charge on current & future stocks and book debts.
- HDFC Bank working capital loan of ₹ 1,380 Lakh is secured by Pari passu charge on current & future stocks & book debts and exclusive charge on industrial property measuring 2,72,646.39 square meters located in Industrial Area Unnao Site 2 (Uttar Pradesh),
- CITI Bank working capital loan of ₹ 7,400 Lakh is secured by First Pari passu charge on present & future stocks & book debts and exclusive charge on property situated at Plot No.4,5,36&37, Sector-59, Noida.
- Federal Bank working capital loan of ₹ 2,100 Lakh is secured by First Pari passu charge by way of hypothecation on entire current assets present & future stocks & book debts and exclusive charge on property situated at Plot No.8, Sector-90, Noida.
- Auto Loans are secured by the hypothecation of respective vehicle for which was availed.
- All the above secured Loans are guaranteed by Mr. Shuja Mirza

### (Non-cumulative) Compulsorily Redeemable Preference Shares

As per Clause 3.10 of Composite Scheme of Arrangement the pre-Scheme issued and paid-up share capital of the Company which consists of 50,000 Equity Shares of ₹2 each aggregating ₹1,00,000, will be cancelled. 50,000 9% Compulsorily Redeemable Preference Shares of ₹2 each, credited as fully paid-up, aggregating ₹1,00,000, will be issued in place of such cancelled equity share capital.

50,000 9% Non-cumulative compulsorily redeemable preference shares of ₹ 2/- each fully paid up shall be redeemed in terms of the provisions of the Companies Act, 2013, at Par within a period of 5 years from the date of issue (maturity date is 30 March 2028) of such Redeemable Preference Shares with a put and call option available to the Shareholders and the Issuer Company for early redemption.

# Notes to the Consolidated Financial Statements

## Maturity Profile :

1)

Term Loans from Banks		Payment Type	No. Of Pending Instalment	Instalment Amount	Current		Non-Current	
Secured	0-1 Yrs				1 -2 Yrs	2 -3 Yrs	More than 3 Years	
<b>Term Loans</b>				<b>2,656</b>	<b>2,435</b>	-	-	
HDFC TERM LOAN (003LN06222880003)	Quarterly	7	66	265	199	-	-	
HDFC TERM LOAN (003LN06222980002)	Quarterly	7	37	148	111	-	-	
HDFC TERM LOAN (003LN06222990002)	Quarterly	7	1	6	4	-	-	
HDFC TERM LOAN (003LN06223090001)	Quarterly	7	3	13	10	-	-	
HDFC TERM LOAN (003LN06223150003)	Quarterly	7	1	5	4	-	-	
HDFC TERM LOAN (003LN06223210002)	Quarterly	7	22	88	66	-	-	
HDFC TERM LOAN (003LN06223350002)	Quarterly	7	2	10	7	-	-	
HDFC TERM LOAN (003LN06223460001)	Quarterly	7	1	3	3	-	-	
HDFC TERM LOAN (003LN06223460002)	Quarterly	7	1	3	2	-	-	
HDFC TERM LOAN (003LN06230300001)	Quarterly	7	51	203	152	-	-	
HDFC TERM LOAN (003LN06230530001)	Quarterly	8	135	539	539	-	-	
HDFC TERM LOAN (003LN06230790003)	Quarterly	7	35	141	106	-	-	
HDFC TERM LOAN (003LN06230880002)	Quarterly	8	45	180	180	-	-	
HDFC TERM LOAN (003LN06232090002)	Quarterly	8	44	178	178	-	-	
HDFC TERM LOAN (003LN06231770001)	Quarterly	8	66	265	265	-	-	
HDFC TERM LOAN (003LN06231250001)	Quarterly	8	57	227	227	-	-	
HDFC TERM LOAN (003LN06232690003)	Quarterly	8	82	328	328	-	-	
HDFC TERM LOAN (003LN06233410003)	Quarterly	8	14	55	55	-	-	
<b>Auto Loans</b>				<b>28</b>	<b>31</b>	<b>23</b>	<b>2</b>	
HDFC BANK AUTO LOAN (140561271)	Monthly	26	1	11	12	2	-	
HDFC BANK AUTO LOAN (140278006)	Monthly	37	1	13	14	16	1	
HDFC BANK AUTO LOAN (140564556)#	Monthly	37	0	2	3	3	0	
HDFC BANK AUTO LOAN (140561385)#	Monthly	37	0	2	2	2	0	
<b>Total</b>				<b>2,684</b>	<b>2,466</b>	<b>23</b>	<b>2</b>	

# less than ₹ 50000

2) Working capital borrowings from banks are repayable on demand.

3) Preference Shares are redeemable with a put and call option available to the Shareholders and the Issuer Company for early redemption.

# Notes to the Consolidated Financial Statements

## Note 14 Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note no. 35)	17,929	15,882
Additions of lease liabilities	18,210	6,900
Interest expense on lease liabilities	1,833	987
Deletions of lease liabilities	(2,061)	(2,038)
Payment of lease liabilities	(3,961)	(3,802)
<b>Total</b>	<b>31,950</b>	<b>17,929</b>
<b>The break-up of current and non-current lease liabilities is as follows:</b>		
Current Lease liabilities	2,841	1,918
Non Current Lease liabilities	29,109	16,011

## Note 15 Provisions

Particulars	Non-Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Provision for employee benefits</b>				
Gratuity (unfunded) (refer note no. 32)	381	350	24	17
Provision for compensated absences (Unfunded)	110	-	24	-
<b>Total</b>	<b>491</b>	<b>350</b>	<b>48</b>	<b>17</b>

## Note 16 Trade Payable

Particulars	As at March 31, 2024	As at March 31, 2023
Outstanding dues of micro and small enterprises*	2,364	1,224
Outstanding dues of creditors other than micro and small enterprises	24,999	33,021
Outstanding dues to related parties (Refer note no. 33)	253	111
<b>Total</b>	<b>27,616</b>	<b>34,356</b>

\* The Company does not owe any dues outstanding for more than the period specified in Micro, Small & Medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March 2024/31<sup>st</sup> March 2023, to any Micro, Small & Medium Enterprises. This information is based on data available with the company.

### Note 16.1 Trade Payables due for payment ageing schedule

Particulars	Outstanding for following periods from due date of transaction*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (refer note no. 38)	2,364	-	-	-	2,364
(ii) Others	25,219	31	2	-	25,252
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>27,583</b>	<b>31</b>	<b>2</b>	<b>-</b>	<b>27,616</b>

Particulars	Outstanding for following periods from due date of transaction*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (refer note no. 38)	1,224	-	-	-	1,224
(ii) Others	33,116	3	13	-	33,132
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>34,340</b>	<b>3</b>	<b>13</b>	<b>-</b>	<b>34,356</b>

\* There are no specific due date of payment specified in respect of trade payables, as such the trade payables ageing schedule is prepared on the basis of date of transaction.

# Notes to the Consolidated Financial Statements

## Note 17 Other financial liabilities - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	81	36
<b>Other payables</b>		
<b>Payable to employees</b>		
- to related parties (Refer note no. 33)	80	58
- to other employees	417	361
<b>Other liabilities</b>		
Commission Payable on Inland Sales	2,050	1,620
Audit Fees Payable	8	14
Rent Payable	59	48
Outstanding Liabilities #	415	598
Security Deposit against Capital Goods	179	-
Security deposits - from Franchisee	13,335	12,168
Derivative Instruments carried at FVTOCI		
Foreign currency forward contract		
-Cash Flow Hedges	46	31
<b>Total</b>	<b>16,670</b>	<b>14,934</b>

# Outstanding Liabilities include Shop Running Expenses Payable of ₹ 235 Lakhs, Electricity charges payable of ₹ 56 Lakhs and Other Payables of ₹ 126 Lakhs.

## Note 18 Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Received From Customers	252	117
Statutory Dues Payable*	221	240
CSR Payable (refer note no. 34)	35	-
Refund Against Returns	354	-
<b>Total</b>	<b>862</b>	<b>357</b>

\* Statutory dues payable includes contribution to provident fund, ESI and tax deducted at source, etc.

## Note 19 Current tax liabilities/(assets) (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Income Tax (net)	227	-
<b>Total</b>	<b>227</b>	<b>-</b>

## Gross movement in current tax liabilities/(assets)

Particulars	As at March 31, 2024	As at March 31, 2023
Net current tax liabilities/(assets) at the beginning of the year	-	-
Provision for current tax	6,130	-
Advance tax paid	(5,903)	-
<b>Current tax liabilities/(assets)</b>	<b>227</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

## Note 20 Revenue from operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products (Footwears, Garments and allied products)	1,83,196	1,45,871
Other operating revenues*	1,096	960
<b>Total</b>	<b>1,84,292</b>	<b>1,46,831</b>

\*Other Operating revenue includes Export Incentives and Job work Income received.

## Reconciliation of Revenue recognised :-

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contracted For :-	1,83,550	1,45,871
Adjustment for :-		
Refund Liability	354	-
<b>Total</b>	<b>1,83,196</b>	<b>1,45,871</b>

## Note 21 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income	87	53
<b>Other income</b>		
-Ceaser of Lease Liability	256	119
-Others	962	480
<b>Total</b>	<b>1,305</b>	<b>652</b>

\*Other includes Commission Income received.

## Note 22 Cost of material consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Material Consumed	5,731	11,300
Stores & Spares	108	101
<b>Total</b>	<b>5,839</b>	<b>11,401</b>
<b>Detail of Material Consumed</b>		
Shoe Material	4,582	9,034
Packing Material	1,149	2,266
<b>Total</b>	<b>5,731</b>	<b>11,300</b>

## Note 23 Purchases of Stock-in-Trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of Stock-in-Trade (Footwears, Garments and allied products)	1,01,511	93,049
<b>Total</b>	<b>1,01,511</b>	<b>93,049</b>

# Notes to the Consolidated Financial Statements

## Note 24 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Inventories at the end of the year</b>		
Stock-in-Trade	74,864	62,261
Finished Goods	224	525
Right to recover returned goods	212	-
Stock-in-Process	141	158
	<b>75,441</b>	<b>62,944</b>
<b>Inventories at the beginning of the year</b>		
Stock-in-Trade	62,261	35,939
Finished Goods	525	702
Right to recover returned goods	-	-
Stock-in-Process	158	496
	<b>62,944</b>	<b>37,137</b>
<b>Change in Inventories Decrease/(Increase)</b>	<b>(12,497)</b>	<b>(25,807)</b>

## Note 25 Employee Benefits Expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salary & Wages (Including Bonus & Leave encashment)*	8,744	6,319
Contribution to Provident and Other Funds	167	154
Staff Welfare Expenses	355	324
<b>Total</b>	<b>9,266</b>	<b>6,797</b>

\*For Gratuity refer note no 32.

## Note 26 Finance Cost

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Interest expense:</b>		
- On Working Capital Loan	1,005	219
- On Term Loan	224	112
- On Vehicles Loan	10	10
-Other Borrowing Cost	179	118
-Interest on lease liabilities	1,833	987
<b>Total</b>	<b>3,251</b>	<b>1,446</b>

## Note 27 Depreciation and Amortisation Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of Property, Plant and Equipment	2,398	2,228
Depreciation of right-of-use-assets	3,526	2,216
<b>Total</b>	<b>5,924</b>	<b>4,444</b>

# Notes to the Consolidated Financial Statements

## Note 28 Other Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Job Work Expenses	1,590	2,238
Commission on Sales	27,387	22,205
Freight and Transport	7,460	4,896
Power and Fuel	1,462	1,442
Selling & Advertisement Expenses	4,937	2,687
Rent	560	432
Bank charges credit card	407	300
Repair and Maintenance (other than building & machinery)	995	650
Repairs to buildings	94	14
Repairs to machinery	20	25
Traveling & Conveyance Expenses	588	473
Insurance	274	194
Security Expenses	361	261
Postage & Courier	94	133
Telephone & Telex	63	66
Legal & Professional Charges	533	433
Auditor's Remuneration*	32	15
Rates and Taxes, excluding taxes on income	315	365
Printing & Stationery	148	84
Donation and Subscription	10	23
(Profit)/Loss on Sale of Property, plant and equipment	14	-13
Miscellaneous Expenses	331	67
Balance written off	392	-
Software and Information Technology Expenses	70	124
Loading and Unloading Expenses	231	118
Loss on Cancellation of FWD Contract	119	-
CSR Expenses (Refer Note 34)	182	-
Loss of Partnership	10	11
<b>Total</b>	<b>48,679</b>	<b>37,243</b>

\*Payment to Auditors (Included in legal and professional expenses above)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Statutory Audit <sup>#</sup>	28	13
Tax Audit	4	2
<b>Total</b>	<b>32</b>	<b>15</b>

<sup>#</sup>It includes 5 lakh paid to erstwhile auditor.



# Notes to the Consolidated Financial Statements

## Note 29 Current tax and deferred tax

### (a) Income tax recognised in statement of profit and loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax</b>		
In respect of current period	6,130	4,791
<b>Total (A)</b>	<b>6,130</b>	<b>4,791</b>
<b>Deferred tax</b>		
In respect of current period	(130)	(96)
<b>Total (B)</b>	<b>(130)</b>	<b>(96)</b>
<b>Total Income tax expense (A+B)</b>	<b>6,000</b>	<b>4,695</b>

### (b) Income tax recognised in other Comprehensive income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Deferred tax (assets)/liability</b>		
On remeasurement loss of defined benefit obligation	6	1
Net movement in effective portion of cash flow hedge reserve	5	80
<b>Total</b>	<b>11</b>	<b>81</b>

### (c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	23,624	18,910
Income tax expense calculated at 25.168% (Previous year 25.168% and Redtape Bangla @27.6% (Previous Year 23.9%))	5,968	4,749
Income tax impact of expenses not considered for tax purpose	462	63
Income tax impact of Income not considered for tax purposes	(76)	(41)
Income tax impact of expenses availed on payment basis	37	8
Income tax impact of depreciation	(315)	6
Income tax impact of allowances of permanent nature	54	6
<b>Tax expense charged to statement of profit and loss at effective rate of 25.95% (Previous Year 25.34%)</b>	<b>6,130</b>	<b>4,791</b>

### (d) Movement in deferred tax balances

Particulars	As at 1-Apr-2023	Recognised in Statement of Profit and loss	Recognised in OCI	As at 31-Mar-2024
<b>Deferred tax liabilities</b>				
Tax on timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax	252	426	-	678
Tax on Right to use Asset	4,376	3,220	-	7,596
<b>Gross deferred tax liabilities (A)</b>	<b>4,628</b>	<b>3,646</b>	<b>-</b>	<b>8,274</b>
<b>Deferred tax assets</b>				
Tax on Lease Liabilities	4,397	3,648	-	8,045
Others - Provisions	8	128	-	136
Tax on Cash flow hedge Reserve	7	-	5	12
Tax on Remeasurement gain/(loss) of defined benefit obligation	1	-	6	7
<b>Gross deferred tax assets (B)</b>	<b>4,413</b>	<b>3,776</b>	<b>11</b>	<b>8,200</b>
<b>Net Deferred tax (Asset)/Liabilities (A-B)</b>	<b>215</b>	<b>(130)</b>	<b>(11)</b>	<b>74</b>

# Notes to the Consolidated Financial Statements

## Note 30 Earning per share

The Earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(a) Net Profit after tax as per statement of Profit and Loss attributable to Equity Shareholders	17,624	14,215
(b) Weighted Average number of equity shares (in number)	13,82,01,900	13,82,01,900
(c) Weighted average number of equity shares in computing diluted earning per share (in number)	13,82,01,900	13,82,01,900
Basic Earnings per share (₹) (a/b)	12.75	10.29
Diluted Earnings per share (₹) (a/c)	12.75	10.29
Face Value per equity share (₹)	2	2

## Note 31 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A Contingent liabilities</b>		
(i) Claims not acknowledged as debts#	644	Nil
(ii) Letter of Credit issued in favour of others	728	970
<b>Total</b>	<b>1,372</b>	<b>970</b>
<b>B Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	1,050	4,215

# List of statutory dues which have not been deposited on account of any dispute and all the cases are related to pre-demerger period and exist in the name of Mirza International Limited (Transferee Company).

Nature of the statute	Nature of the dues	Amount as at 31 March 2024	Period to which the amount relates	Forum where dispute is pending
Gujarat VAT	VAT	12.86	2016-17	Deputy Commissioner
Kerala VAT	VAT	4.91	2012-13	Deputy Commissioner
Rajasthan GST	GST	15.06	2017-18	Rectification Filed with GST State Tax officer
Bihar GST	GST	17.85	2017-18	First Appellate Authority
Delhi GST	GST	581.48	2018-19	Rectification Filed with GST State Tax officer
Chhattisgarh GST	GST	9.57	2018-19	Appeal to be filed
Assam GST	GST	1.92	2018-19	First Appellate Authority

## Notes to the Consolidated Financial Statements

### Note 32 Employee benefits

#### A. Defined benefit plan

##### -Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service usually gets a gratuity on departure 15 days of last drawn basic salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31-March-2024 and 31-March-2023.

##### (i) Changes in the present value of the obligation:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Opening balance of the present value of defined benefit obligation	367	-
Add: Current service cost	39	37
Add: Interest cost	26	24
Add: Acquisitions	-	332
Add/(less): Remeasurement - Actuarial losses/(gains)		
i) Actuarial (gains)/losses arising from changes in demographic assumption	5	-
ii) Actuarial (gains)/losses arising from changes in financial assumptions	5	-
iii) Actuarial (gains)/losses arising from changes in experience adjustments	15	5
Less: Benefits paid	(52)	(31)
<b>Closing balance of the present value of defined benefit obligation</b>	<b>405</b>	<b>367</b>

##### (ii) Changes in the fair value of plan assets:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Plan assets at beginning of period	-	-
Return on Plan Assets, Excluding amount recognised in Net Interest Expense	-	-
Benefits paid	-	-
<b>Plan assets at the end of period</b>	<b>-</b>	<b>-</b>

##### (iii) The amounts recognised in Balance Sheet are as follows:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Present value of the defined benefit obligation as at the end of the year	405	367
Fair value of plan assets as at the end of the year	-	-
<b>Net asset/(liability) recognised in the Balance Sheet</b>	<b>405</b>	<b>367</b>

##### (iv) The amounts recognised in Statement of Profit and Loss are as follows:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Current service cost	39	37
Interest cost	26	24
<b>Expense recognised in the statement of profit and loss</b>	<b>65</b>	<b>61</b>

# Notes to the Consolidated Financial Statements

## (v) Re-measurement of the net defined benefit liability / (asset):

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	25	5
Actuarial (gain)/loss for the year on plan assets	-	-
Total Actuarial (gain)/loss at the end of the year	25	5

## (vi) Bifurcation of actuarial (gain) / loss:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Actuarial (Gain) / loss on arising from change in demographic assumption	5	-
Actuarial (Gain) / loss on arising from change in financial assumption	5	-
Actuarial (Gain) / loss on arising from change in experience assumption	15	5

## (vii) The key assumptions used in the calculations are as follows :

Particulars	2023-24	2022-23
<b>1. Financial Assumptions</b>		
Discount Rate	6.97% p.a.	7.20% p.a.
Rate of increase in salaries	6.00% p.a.	6.00% p.a.
<b>2. Demographic Assumptions</b>		
Mortality Rate (% of IALM 2012-14)	1	1
Normal Retirement Age	58 Years	60 Years
Attrition Rates, based on age (% p.a.) For all Ages	2	2

(viii) The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

## (ix) Sensitivity Analysis:

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Particulars	As at 31 March 2024		As at 31 March 2023	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	453	365	414	327
% change compared to base due to sensitivity	11.68%	-9.92%	12.86%	-10.81%
Salary Growth Rate (- / + 1%)	365	452	326	415
% change compared to base due to sensitivity	-9.87%	11.46%	-11.23%	13.15%
Attrition Rate (- / + 50%)	401	409	362	372
% change compared to base due to sensitivity	-1.08%	0.95%	-1.37%	1.19%
Mortality Rate (- / + 10%)	405	406	366	368
% change compared to base due to sensitivity	-0.17%	0.17%	-0.22%	0.22%

## Notes to the Consolidated Financial Statements

### (x) Maturity Profile (based on undiscounted cashflows):

Particulars	As at 31 March 2024
1 Year	24
2 to 5 Years	88
6 to 10 Years	191
More than 10 Years	709

### (xi) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk :** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk :** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of ₹ 20,00,000).

### (xii) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current:

Particulars	Gratuity (Unfunded) As at 31 March 2024	Gratuity (Unfunded) As at 31 March 2023
Current liability (amount due within one year)	24	17
Non-current liability (amount due over one year)	381	350
Total PBO at the end of year	405	367

### B. Defined contribution plan

#### Contribution to Provident Fund

The company has recognized an expense of ₹ 167 lakhs (Previous year ₹ 154 lakhs) in respect of contribution to Provident Fund.

# Notes to the Consolidated Financial Statements

## Note 33 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where contro exits and with whom transactions have taken place during reported periods, are:

### A. Related party and their relationship:-

#### Key Management Personnel:

i	Whole time directors	Mr. Rashid Ahmed Mirza	Chairman
		Mr. Shuja Mirza	Managing Director
		Mr. Arvind Verma	Executive Director
		Ms. Sunanda Singh	Executive Director (w.e.f. 01.08.2023)
		Mr. Narendra Prasad Upadhyay	Executive Director (upto 31.08.2023)
ii	Non executive directors	Dr. Rajshree Saxena	Independent Director
		Mr. Sanjay Bhalla	Independent Director
		Dr. Yashvir Singh	Independent Director
		Mr. Subhash Chander Sapra	Independent Director
iii	Chief Financial Officer	CA Abhinav Jain	
iv	Company Secretary	Mr. Akhilendra Bahadur Singh	(w.e.f. 08.12.2023)
		Mr. Nand Kishore	(w.e.f. 22.07.2023 and upto 01.09.2023)
		Ms. Sakshi Mehta	(w.e.f. 01.09.2023 and upto 07.10.2023)
		Ms. Nandita Singh	(upto 17.07.2023)

### Related parties

#### Nature of relationship

i	Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	Sen En Mirza Industrial Supply Chain LLP (Under Process of Strike Off)
		Shoemac Leather Tech Engineers Ltd.
		Euro Footwear Pvt. Ltd
		Olive Shoes Private Limited
		World Wear Products
		Gempack Enterprises
		Asian Traders
RTS Fashion FZE, UAE		
ii	Trust	Mirza Foundation

# Notes to the Consolidated Financial Statements

## B. Details of transactions entered into with related parties during the year and details of balances outstanding as at the end of the year as required by Ind AS 24 on “Related Party Disclosures” of Companies (Indian Accounting Standards) Rules 2015.

S.No.	Particulars	Transactions	Outstanding	Dr./Cr.	Transactions	Outstanding	Dr./Cr.
		Apr 2023 - March 2024	Apr 2023 - March 2024		Apr 2022 - March 2023	Apr 2022 - March 2023	
<b>1</b>	<b>Purchase</b>						
	Euro Footwear Pvt. Ltd.	-	-		463	38	Cr.
	Gempack Enterprises	164	14	Cr.	185	13	Cr.
	Shoemac Leather Tech Eng. Ltd.	7	1	Cr.	17	3	Cr.
	World Wear Products	-	-		283	-	
	Mirza International Ltd.	3467	236	Cr.	2840	57	
	Asian Traders	2	1	Cr.	-	-	
<b>2.</b>	<b>Purchase - Other</b>						
	Sen en Mirza Industrial Supply Chain LLP	78	-		-	-	
<b>3.</b>	<b>Sales</b>						
	Euro Footwear Pvt. Ltd.	-	-		226	-	
	Gempack Enterprises	1	-		2	-	
	RTS FASHION FZE-DUBAI	189	54	Dr	154	122	Dr.
	Asian Traders	-	-		1	1	Dr.
	World Wear Products	-	-		37	-	
	Mirza International Ltd.	395	-		619	-	Dr.
	Olive Shoes Private Limited	31	2	Dr	-	-	
<b>4.</b>	<b>Sales- Others</b>						
	Mirza International Ltd.	27	-		-	-	
<b>5.</b>	<b>Job work expenses</b>						
	Mirza International Ltd.	1	-		-	-	
<b>6.</b>	<b>Job work income</b>						
	Mirza International Ltd.	2	-		-	-	
<b>7.</b>	<b>Rent &amp; Maintenance charges Paid</b>						
	Mirza International Ltd.	453	-		510	-	
<b>8.</b>	<b>Reimbursement of Expenses- Receivable</b>						
	Mirza International Ltd.	24	-		-	-	
<b>9.</b>	<b>Reimbursement of Expenses-Payable</b>						
	Mirza International Ltd.	65	-		614	-	
<b>10.</b>	<b>Managerial Remuneration*</b>						
	<b>Directors Remuneration</b>						
	Mr. Shuja Mirza	840	70	Cr	600	50	Cr
	Mr. Arvind Verma	75	5	Cr	66	4	Cr
	Mr. Narendra Prasad Upadhyay	28	-		43	4	Cr
	Ms. Sunanda Singh	14	1	Cr			
	<b>Managerial Remuneration</b>						
	Mr. Abhinav Jain	34	2	Cr			
	Ms. Nandita Singh	3	-				
	Ms. Sakshi Mehta	1	-				
	Mr. Nand Kishore	-	-				
	Mr. Akhilendra Bahadur Singh	4	1	Cr			
<b>11.</b>	<b>Director Sitting Fees</b>						
	Mr. Sanjay Bhalla	2	-				
	Mr. Subhash Chandra Sapra	2	-				
	Mr. Yashvir Singh	2	-				
	Ms. Rajshree Saxena	1	-				
<b>12.</b>	<b>CSR</b>						
	Mirza Foundation	102	-				

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

\*(ii) Long-term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Group's gratuity policy and are eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

# Notes to the Consolidated Financial Statements

## Note 34 Details of Corporate social responsibility (CSR) Expenditure

Particulars	As at March 31, 2024	As at March 31, 2023
a) Gross amount required to be sent as per section 135 of the Act	182	-
b) Details of amount spent during the year :		
Promoting quality education in schools	86	-
Promoting healthcare	23	-
Promoting skill development	38	-
Promoting cultural activities#	0	-
c) Details of amount un-spent during the year:		
Promoting cultural activities*	35	-
d) Details of related party transactions during the year:		
Mirza Foundation	102.00	-

# less than 50,000

\* (i) Reasons of shortfall: The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2023-24

(ii) The shortfall amount is on account of funds that are allocated to the ongoing projects initiated during the current year and being unspent as at 31-Mar-2024 has been transferred to the unspent CSR account within 30 days from the end of financial year in accordance with the Companies Act 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

## Note 35 Leases

### Right-of-use assets and Lease Liability:

This note provides information for leases where the Group is a lessee. The Group leases various warehouses and retail stores. Rental contracts are generally made for fixed periods of five years to twelve years

Information about leases for which the Group is a lessee is presented below:

The changes in the carrying value of ROU assets for the year ended 31 March 2024 are as follows :

Particulars	Amount
<b>Balance as on 31 March 2022</b>	<b>13,680</b>
Addition for the new leases	6,924
Depreciation charge for the year	(2,216)
Deletions for terminated leases	(1,457)
<b>Balance as on 31 March 2023</b>	<b>16,931</b>
Addition for the new leases	18,564
Depreciation charge for the year	(3,526)
Deletions for terminated leases	(1,811)
<b>Balance as on 31 March 2024</b>	<b>30,158</b>

The aggregate depreciation expense on ROU assets amounting to ₹3,526 Lakhs is included under depreciation and amortization expense in the Statement of Profit and Loss.

The following is the movement in the lease liabilities during the year ended 31 March 2024:

Particulars	Amount
<b>Balance as on 31 March 2022</b>	<b>15,882</b>
Addition for New leases	6,900
Accreditation of Interest	987
Payment of Lease Liability	(3,802)
Deletions for Terminated Leases	(2,038)
<b>Balance as on 31 March 2023</b>	<b>17,929</b>
Addition for New leases	18,210
Accreditation of Interest	1,833
Payment of Lease Liability	(3,961)
Deletions for Terminated Leases	(2,061)
<b>Balance as on 31 March 2024</b>	<b>31,950</b>



## Notes to the Consolidated Financial Statements

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 on an undiscounted basis:

<b>Maturity analysis – contractual undiscounted cash flows</b>	<b>Amount</b>
Less than one year	31,15
After one year but not longer than five years	108,38
More than five years	66,36
<b>Balance as on 31 March 2023</b>	<b>205,89</b>
Less than one year	51,62
After one year but not longer than five years	209,95
More than five years	185,65
<b>Balance as on 31 March 2024</b>	<b>447,22</b>

**Lease liabilities included in the financial statement as follows:**

<b>Particulars</b>	<b>Amount</b>
Current	1,918
Non-Current	16,011
<b>Balance as on 31 March 2023</b>	<b>17,929</b>
Current	2,841
Non-Current	29,109
<b>Balance as on 31 March 2024</b>	<b>31,950</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### Variable Lease Payment

Some leases contain variable payment terms that are linked to sales generated from a store. For some individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 8% to 10% of sales. Variable payments terms are used for a variety of reasons, including minimizing the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

Expenses relating to short-term leases and expenses relating to variable lease payments not included in lease liabilities (included in other expenses) were ₹ 560 Lakhs (31 March 2023- ₹ 432 Lakhs).

As at Balance Sheet date, the Group is not exposed to future cash flows for extension / termination options, residual value guarantees, and leases not commenced to which lessee is committed.

### Note 36 Financial risk management objective and policies

The financial assets of the Group include loans, trade and other receivables, security deposits and cash and bank balances that derive directly from its operations. The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade payables and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the Group. The Group also enters into derivative transactions.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group.

The Group is mainly exposed to the following risks that arise from financial instruments:

- A. Market risk (including currency risk, interest rate risk and other price risk)**
- B. Liquidity risk**
- C. Credit risk**

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

#### **A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing

# Notes to the Consolidated Financial Statements

the return. The Group uses derivatives to manage market risks. Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the guidelines set by the Board of Directors.

There have been no significant changes to the Group's exposure to market risk or the methods in which they are managed or measured.

## (a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities when transactions are denominated in a different currency from the Group's functional currency.

The Holding Company imports finished goods from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently, the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Group also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Group's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency (USD \$)	Amount	Foreign currency (USD \$)	Amount
Trade Receivable	1	54	2	122
Trade Payable	256	21,693	343	28,202
<b>Net exposure</b>	<b>255</b>	<b>21,639</b>	<b>341</b>	<b>28,080</b>

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Foreign currency (USD \$)	Amount	Foreign currency (USD \$)	Amount
Trade Receivable	1	54	2	122
Trade Payable	-	-	-	-
<b>Net exposure</b>	<b>1</b>	<b>54</b>	<b>2</b>	<b>122</b>

## Foreign currency sensitivity analysis

Any changes in the exchange rate of USD against ₹ is not expected to have significant impact on the Group's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	As at 31 March 2024		As at 31 March 2023	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against ₹	1	(1)	2	(2)

Foreign currency forward contracts held by the company as on reporting date:

Particulars	As at March 31, 2024	As at March 31, 2023
In USD*	335	718
In INR	28,106	59,664

\*For highly probable forecast purchase transactions and trade payable.

# Notes to the Consolidated Financial Statements

## Derivatives designated as hedging instruments

The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

## Cash flow hedges

During the current year ended 31 March 2024 and previous year ended 31 March 2023, the Group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure. The Group does not use forward contracts for speculative purposes. The Counterparty for such contracts is generally a bank.

The foreign exchange forward contract balances vary with the level of expected foreign currency purchase and changes in foreign exchange forward rates. The fair value of derivative financial instruments is as follows:

Particulars	31 March 2024 Liabilities	31 March 2023 Liabilities
Fair value of foreign currency forward exchange	46	31

The critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast purchase transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

The cash flow hedges of the forecasted purchase transactions during the year ended 31 March 2023 were assessed to be highly effective and unrealized loss of ₹ 19 lakh (Previous year ₹ 310 lakh), with a deferred tax charge of ₹ 5 lakh (Previous year ₹ 80 lakh) relating to the hedging instruments, is included in other comprehensive income.

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31 March 2024		As at 31 March 2023	
	USD	₹	USD	₹
Not later than one month	55	4,615	108	8,780
Later than one month and not later than three months	30	2,516	192	15,975
Later than three months and not later than one year	250	20,975	418	34,909

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

Particulars	Financial Year	
	2023-24	2022-23
Opening balance of cash flow hedge reserve	(23)	207
Effective portion of changes in fair value arising from Foreign exchange forward contracts	131	(152)
Amount to be reclassified to profit or loss	(150)	(158)
Tax effect	5	80
Closing balance of cash flow hedge reserve	(37)	(23)

During the year ended 31 March 2024 and 31 March 2023 the Group has designated certain foreign exchange contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at 31 March 2024 are expected to occur and reclassified to statement of profit and loss within one year.

The Group determines the existence of economic relationship between the hedging instrument and hedged item based on the currency, amount and timings of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Statement of Profit or Loss at the time of the hedge relationship rebalancing.

# Notes to the Consolidated Financial Statements

## (b) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Group and impact of floating rate borrowings on Group's profitability.

### Interest Rate Risk Exposure

Particulars	As at 31 March 2024		As at 31 March 2023	
	(₹ in Lakhs)	% of Total	(₹ in Lakhs)	% of Total
Fixed Rate Borrowings	-	-	-	-
Variable Rate Borrowings (includes the working capital loan from bank)	16,055	100%	8,071	100%
<b>Total Borrowings</b>	<b>16,055</b>	<b>100%</b>	<b>8,071</b>	<b>100%</b>

### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Increase in 100 basis point	161	81
Decrease in 100 basis point	(161)	(81)

## B. Liquidity Risk

Financial liabilities of the Group include borrowings, lease liabilities, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

### Liquidity Risk Management

The Management of the Group is responsible for liquidity risk management who has established an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group monitors its risk of shortage of funds to meet the financial liabilities. The Group plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the Group at the end of each reporting period:

## Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Borrowings including current maturities (Other than Preference Shares)</b>		
Less than 1 year	2,684	1,635
1-3 year	2,489	3,050
3-5 year	2	21
More than 5 years	-	-
<b>(Non-cumulative) Compulsorily Redeemable Preference Shares</b>		
Less than 1 year	1	1
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Lease Liabilities</b>		
Less than 1 year	2,841	1,918
1-3 years	6,910	4,195
3-5 years	7,419	4,627
More than 5 years	14,780	7,189
<b>Short term borrowings</b>		
Less than 1 year	10,880	3,364
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Trade Payables</b>		
Less than 1 year	27,616	34,356
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-
<b>Other Financial liabilities</b>		
Less than 1 year	16,670	14,934
1-3 year	-	-
3-5 year	-	-
More than 5 years	-	-

### C. Credit risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The Group is exposed to credit risk from trade receivables, security deposit to landlord & cash and bank balances.

#### (a) Trade receivables

Sales to retail customers are required to be settled in cash or using credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. For non-retail customers and sale through E-Commerce portal, the Group assesses the credit quality of the customer and E-Commerce Portal, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings by the management. The compliance with credit limits by customers is regularly monitored by line management.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The credit risk to the Group is limited in cases of retail sales since they are in nature of cash and carry and for non-retail sales, the Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

# Notes to the Consolidated Financial Statements

## (b) Other Financial Assets

With regards to all the financial assets with contractual cashflows other than trade receivables, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible.

Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Group's maximum exposure to credit risk for the components of the financial assets as at 31 March 2024 and 31 March 2023 is to the extent of their respective carrying amounts as disclosed in respective notes.

## Note 37 Capital Management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's gearing ratio was as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Borrowings including current maturities and interest accrued but not due	16,137	8,107
Less: Cash & cash equivalent and other bank balances	2,104	2,618
Net debt (A)	14,033	5,489
Total equity (B)	64,843	47,675
Gearing ratio (A/B)	0.22	0.12

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 Mar 2024 and 31 Mar 2023.

## Note 38 Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (as amended till date) have been determined based on the confirmations received in response to intimation in this regard sent by the Group to the suppliers.

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006 (as amended till date), certain disclosures are required to be made relating to Micro, Small and Medium Enterprises.

No interest in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 or otherwise has either been paid or payable or accrued and remaining unpaid as at March 31, 2024.

Based on the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006 beyond the statutory period of 45 days.

## Notes to the Consolidated Financial Statements

Particulars	As at March 31, 2024	As at March 31, 2023
Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,364	1,224
Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	Nil	Nil
The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	Nil	Nil
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME act	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23	Nil	Nil

### Note 39 Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

Particulars	Note No.	As at 31 March 2024			Total Carrying Value	Total Fair Value
		Amortised Cost	FVTOCI	FVTPL		
<b>Financial assets</b>						
Investments	5	0			0	0
Security deposits	6	1,147			1,147	1,147
Trade receivables	9	9,076			9,076	9,076
Cash and cash equivalent	10	2104			2104	2104
Others	6	12			12	12
<b>Total</b>		<b>12,339</b>			<b>12,339</b>	<b>12,339</b>
<b>Financial liabilities</b>						
Term loan from bank including current maturities	13	5,175			5,175	5,175
Security deposits - for franchise	17	13,335			13,335	13,335
(Non-cumulative) Compulsorily Redeemable Preference Shares	13	1			1	1
Security Deposit Capital Assets	17	179			179	179
Lease Rent Liabilities	14	31,950			31,950	31,950
Working Capital Loan from banks	13	10,880			10,880	10,880
Trade Payable	16	27,616			27,616	27,616
Foreign exchange forward contracts	17		46		46	46
Others	17	3,110			3,110	3,110
<b>Total</b>		<b>92,246</b>	<b>46</b>		<b>92,292</b>	<b>92,292</b>

# Notes to the Consolidated Financial Statements

Particulars	Note No.	As at 31 March 2023			Total Carrying Value	Total Fair Value
		Amortised Cost	FVTOCI	FVTPL		
<b>Financial assets</b>						
Investments	5	56			56	56
Security deposits	6	1,204			1,204	1,204
Trade receivables	9	8,411			8,411	8,411
Cash and cash equivalent	10	2,618			2,618	2,618
Others	6	44			44	44
<b>Total</b>		<b>12,333</b>			<b>12,333</b>	<b>12,333</b>
<b>Financial liabilities</b>						
Term loan from bank including current maturities	13	4,706			4,706	4,706
Security deposits - for franchise	17	12,168			12,168	12,168
(Non-cumulative) Compulsorily Redeemable Preference Shares	13	1			1	1
Security Deposit Capital Assets	17	-			-	-
Lease Rent Liabilities	14	17,929			17,929	17,929
Working Capital Loan from banks	13	3,364			3,364	3,364
Trade Payable	16	34,356			34,356	34,356
Foreign exchange forward contracts	17		31		31	31
Others	17	2,735			2,735	2,735
<b>Total</b>		<b>75,259</b>	<b>31</b>		<b>75,290</b>	<b>75,290</b>

## (b) Basis of Fair value of Financial assets and liabilities

### (i) Fair value hierarchy

The Company categorizes financial assets and financial liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the financial asset or financial liability.
- Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### (ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-March-2024

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>					
Foreign exchange forward contracts at fair value through OCI	46		46		Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
<b>Total</b>	46		46		



# Notes to the Consolidated Financial Statements

As at 31-March-2023

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
<b>Financial Liabilities</b>					Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Foreign exchange forward contracts at fair value through OCI	31	-	31	-	
<b>Total</b>	<b>31</b>	<b>-</b>	<b>31</b>	<b>-</b>	

## Notes:

- i) Fair valuation of current financial liabilities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- ii) Trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities have fair values that approximate to their carrying amounts due to their short-term nature.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2024 and 31 March 2023.

**Note 40** The main business of the Group is retailing/ trading of merchandise which primarily consist of apparels and footwears. All other operating activities of the Group are incidental to its main business. Accordingly, the Group has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

**Note 41** In accordance with the Ind AS-36 on Impairment of Assets, the Group has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of account.

## Note 42 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 "Statement of Cash Flows" for the period beginning on 1 April 2017

Sr. No.	Particulars	Current Borrowing	Non-current borrowing including current maturities
	<b>Opening balance of Financial liabilities as on 1<sup>st</sup> Apr 2023</b>	<b>3,364</b>	<b>4,706</b>
	<b>Coming under the financing activities of Cash Flow Statement</b>		
	<b>Changes during the year</b>		
a)	Changes from financing cash flow	7,516	469
b)	Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c)	The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d)	Changes in fair value	-	-
e)	Other changes	-	-
f)	Processing fee amortized	-	-
	<b>Closing balance of Financial liabilities as on 31<sup>st</sup> Mar 2024 coming under the financing activities of Cash Flow Statement</b>	<b>10,880</b>	<b>5,175</b>

# Notes to the Consolidated Financial Statements

Sr. No.	Particulars	Current Borrowing	Non-current borrowing including current maturities
	<b>Opening balance of Financial liabilities as on 1<sup>st</sup> Apr 2022 coming under the financing activities of Cash Flow Statement</b>	<b>1,144</b>	<b>1,706</b>
	<b>Changes during the year</b>		
a)	Changes from financing cash flow	2,220	3,000
b)	Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c)	The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d)	Changes in fair value	-	-
e)	Other changes	-	-
f)	Processing fee amortized	-	-
	<b>Closing balance of Financial liabilities as on 31<sup>st</sup> Mar 2023 coming under the financing activities of Cash Flow Statement</b>	<b>3,364</b>	<b>4,706</b>

**Note 43** “The Code on Social Security, 2020 (“SS Code”) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Group will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.”

## Note 44 Additional regulatory information required by Schedule III to the Act:

(i) The Company is holding title deed of all Immovable Properties held in its own name except for the following:

Description of Property	Gross Carrying Value (Rs. In Lakh)	Held in the name of	Whether title deed holder is promoter, director or their relative or employee	Property held since -indicate range, where appropriate	Reason for not being held in the name of the Company
Leasehold Land -Plot No.8, Sector-90, Noida	333	Mirza International Limited	No	1 <sup>st</sup> January 2022	Title deeds are in the name of erstwhile transferee company i.e. Mirza International Limited.
Leasehold Land -Plot No.4,5, 36&35, Sector 59, Noida	182	Mirza International Limited	No	1 <sup>st</sup> January 2022	Mirza International Limited.

The Group is operating certain retail stores where the respective lease agreements were made in the name of M/s Mirza International Limited (Transferee Company). The company is in process of preparing addendum to the said lease agreements to incorporate the name of the Company as lessee.

- ii) The Group is not holding any investment property.
- iii) The Group has not revalued any of its Property, Plant & Equipment and Right of use assets.
- iv) The Group has not revalued any of its Intangible Assets.
- v) The Group has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.
- vi) The Group does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Group as at 31-Mar-2024 for holding any benami property.
- vii) The quarterly returns of current asset filed by the Company with Banks in agreement with the financial statements.
- viii) The Group has never been declared as wilful defaulter by any bank or financial institution or other lenders.

## Notes to the Consolidated Financial Statements

- ix) The Group does not have any relationship with any struck off Company.
- x) As at 31-Mar-2024, the Company have following subsidiary companies i.e.
- i. Redtape Bangla Limited
  - ii. Redtape HK Limited
  - iii. Redtape London Limited (Step down subsidiary – Wholly Owned Subsidiary of Redtape HK Limited)
  - iv. Redtape (Quanzhou) Sports Goods Co. Limited (Step down subsidiary – Wholly Owned Subsidiary of Redtape HK Limited)

The Company is in compliances of requirement of number of layer of companies.

- xi) There is no scheme of Arrangement approved during the year.
- xii) The Group has not received any share premium amount and the term loan availed during the year has been applied for the purpose for, which, they were obtained. The working capital borrowing has been utilised by the Group in its own business, the Group has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.
- xiii) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.
- xiv) There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

**Note 45** The Company is a partner in Sen En Mirza Industrial Supply Chain LLP. The details in respect of its Partners, total capital and the share of each partner is as follows:

S. No.	Name of partner	Profit Sharing Ratio	Capital Balance As at 31 March 2024	Capital Balance As at 31 March 2023
1.	REDTAPE Limited	99%	-	55
2.	Alberto Alvarez Hernandez	0%	-	8
3.	Kamal Hans#	1%	-	-

# Fixed Capital Contribution 1,000/-

**Note 46** The Group deals in Fashion Items such as Footwear, Apparel, Accessories etc. Group has made its sales network through its retail stores pan India at various remote locations. The Group operates these retail stores, through its owned stores or stores operated by its Franchisee. Due to remote locations and volumes of transactions, there are few instances where employees of the Group misappropriated the Cash of the sale proceeds of the retail store.

During the year there are no such cases reported (In previous year three cases reported amounting ₹ 19.01 lakh which constitute even less than 0.01% of the total sales proceeds of Group owned stores). This is general trend of the industry.

# Notes to the Consolidated Financial Statements

**Note 47** Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

Name of Entity	Share in Net Assets		Share in Profit/(Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Asset	in ₹ Lakhs	As % of consolidated Profit/(Loss)	in ₹ Lakhs	As % of consolidated OCI	in ₹ Lakhs	As % of consolidated Total OCI	in ₹ Lakhs
<b>Company</b>								
Redtape Limited	99%	1,56,900	96%	16,980	165%	(33)	96%	16,947
<b>Foreign Subsidiaries</b>								
Redtape Bangla Limited	1%	1,937	4%	645.00	(65%)	13	4%	658
Redtape HK Limited	-	-	0%	(1.00)	-	-	0%	(1)
Redtape London Limited	-	-	-	-	-	-	-	-
Redtape (Quanzhou) Sports Goods Co. Limited	-	-	-	-	-	-	-	-
Total	100%	1,58,837	100%	17,624	100%	(20)	100%	17,604

**Note 48** Previous year figures have been regrouped/ recasted/ rearranged wherever necessary to conform its classification of the current year.

**Note 49** Figures in bracket indicate deductions

# Notes to the Consolidated Financial Statements

## Note 50 Financial Ratios:

The following are analytical ratios for the year ended 31 March-2024 and 31 March 2023:

Sl. No.	Ratio	Numerator	Denominator	Unit	2023-24	2022-23	% Change	Reasons for variance more than 25%
1	Current Ratio	Current Assets	Current Liabilities	Times	1.48	1.39	6.66%	Not Applicable
2	Debt-equity ratio	Total Debt*	Shareholder's Equity	Times	0.25	0.17	46.27%	Variance in ratio is due to increase in loan amount.
3	Debt service coverage ratio	Earnings available for debt service	Interest+ Lease Repayment + Lease payments of long-term borrowings	Times	2.78	2.40	15.81%	Not Applicable
4	Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	%	31.33	34.99	-10.46%	Not Applicable
5	Inventory turnover ratio	Sales	Average Inventory	Times	2.60	2.82	-7.54%	Not Applicable
6	Trade receivables turnover ratio	Sales	Average Accounts Receivables	Times	20.95	20.80	0.74%	Not Applicable
7	Trade payables turnover ratio	Purchase	Average Accounts Payables	Times	3.46	3.64	-4.82%	Not Applicable
8	Net capital turnover ratio	Sales	Working Capital (Current Assets-Current Liabilities)	Times	6.19	6.67	-7.23%	Not Applicable
9	Net profit ratio	Net Profit after taxes	Sales	%	9.62	9.68	-0.62%	Not Applicable
10	Return on capital employed	Earning before interest and taxes	Capital Employed (Tangible Net Worth+Total Debt*+ Deferred Tax Liability)	%	33.19	36.37	-8.75%	Not Applicable
11	Return on investment	Income generated from invested funds	Average Investments	%	-35.71	-18.03	98.05%	Variance in ratio is due to decrease in investment amount.

\* For Calculation of Total Debt, Lease Liabilities accounted as per Ind AS 116 has been excluded.

Note: 1. The above mentioned analytical ratios for F.Y. 2022-23 at s.no. 1, 8 & 9 are being restated due to regrouping of previous year figure

2. The ratio mentioned at s. no. 3, 4, 6 & 10 is being restated for F.Y. 2022-23 due to change in formula.

As per our report of even date attached

**For Ashwani & Associates**

Chartered Accountants

Firm Registration Number 000497N

**For & on behalf of the board of Directors**

**Aditya Kumar**

Partner

M.No. 506955

UDIN:

**Shuja Mirza**

(Managing Director)

DIN: 01453110

New Delhi

**Arvind Verma**

(Whole Time Director)

DIN: 09429834

Noida

Place : Ludhiana

Date : 29<sup>th</sup> May, 2024

**CA Abhinav Jain**

(Chief Financial Officer)

Noida

**CS Akhilendra Bahadur Singh**

(Company Secretary)

Noida

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries or associate companies or Joint ventures

#### Part A- Subsidiaries

(In INR)

Sl No	Particulars	Details of Subsidiaries	
1.	Name of the Subsidiary	REDTAPE Bangla Limited	REDTAPE HK Limited
2.	The date since when subsidiary was acquired	January 1, 2022	August 04, 2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Not Applicable	Not Applicable
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Taka & Rs. 0.7605	USD & Rs. 83.38
5.	Share Capital	4044000/-	106060/-
6.	Reserves and surplus	162628129/-	(101223)/-
7.	Total Assets	189547467/-	4836/-
8.	Total Liabilities	26859915/-	NIL
9.	Investments	NIL	NIL
10.	Turnover	113308148/-	NIL/-
11.	Profit before taxation	89543643/-	(101223)/-
12.	Provision for taxation	25115513/-	NIL
13.	Profit after taxation	64428130/-	(101223)/-
14.	Proposed dividend	NIL	NIL
15.	Extent of shareholding (in percentage)	100%	100%

#### Part B- Associates and Joint Ventures

Not applicable as the Company does not have any associate company / joint venture during the year under review

# REDTAPE

## REDTAPE LIMITED

CIN: L74101UP2021PLC156659

Regd. Office: Plot No. 08, Sector 90, Noida, Gautam Buddha Nagar, Uttar Pradesh -201301, India

Phone: +91 120 6994444 | +91 120 6994400

Email: [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com) Website: [www.redtape.com](http://www.redtape.com)

NOTICE is hereby given that the 3<sup>rd</sup> (third) Annual General Meeting ('AGM') of the members of **REDTAPE** Limited is scheduled to be held on Saturday, September 28, 2024, at 11:30 Hours (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, together with the Reports of the Auditors and the Board of Directors thereon.
2. To appoint a director in place of Mr. Arvind Verma (DIN: 09429834), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the consent of Members of the Company be and is hereby accorded to the ratification of the remuneration of Rs. 40,000 (Rupees Forty Thousand Only) excluding taxes and reimbursement of out-of-pocket expenses at actuals payable to Mr. A.K. Srivastava, Cost Accountants (Membership No. 10467 with the Institute of Cost Accountant of India) and (Firm Registration No. 100090), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the FY 2024-25.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) be and is hereby authorized to perform all acts, deeds, matters or things and take such decisions / steps as may be necessary, expedient or desirable to give effect to aforesaid resolution."

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** further to the resolution passed at Extra-Ordinary General Meeting held on March 30, 2023 for appointment and remuneration payable to Mr. Shuja Mirza, Managing Director (DIN:01453110), and Special Resolution passed at Annual General Meeting held on September 30, 2023 with respect to revision in maximum remuneration payable to Mr. Shuja Mirza and pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("**the Act**") and the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024, the consent of the members of the Company, be and are hereby accorded for revision in the maximum remuneration payable to Mr. Shuja Mirza, Managing Director of the Company, with effect from April 1, 2025 for the remainder of the tenure, including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period, as stated below, be and is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors ("**the Board**"), which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under

the provisions of law), to alter, vary and modify the terms and conditions of the remuneration, in such manner as may be agreed to between the Board and Mr. Shuja Mirza within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. Remuneration: A sum not exceeding INR 12,00,00,000 (Rupees Twelve crore only) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.
- ii. Medical allowance: In addition to remuneration at clause (i) above, a sum up-to INR 24,00,000 (Rupees twenty-four lakh only) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, and 198 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and
- c) Encashment of leave as per the policy of the Company.

**RESOLVED FURTHER THAT** payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

**RESOLVED FURTHER THAT** Mr. Shuja Mirza, being an Executive Director designated as Managing Director in the Company, will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** further to the resolution passed at Extra-Ordinary General Meeting held on March 30, 2023 for appointment and remuneration payable to Mr. Arvind Verma, Whole -Time Director (DIN:09429834), further Resolution passed at Annual General Meeting held on September 30, 2023 with respect to revision in maximum remuneration payable to Mr. Arvind Verma, pursuant to the provisions of Sections 197, 198 read with Schedule V of the Act and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024, the consent of the members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Mr. Arvind Verma, Whole time Director of the Company with effect from April 01, 2025, for the remainder of the tenure, be and is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors (“**the Board**”), which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), to alter, vary and modify the terms and conditions of the remuneration, in such manner as may be agreed to between the Board and Mr. Arvind Verma within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. **Remuneration:** A sum not exceeding INR 1,50,00,000 (Rupees One crore Fifty Lakhs only) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.



- ii. **Medical allowance:** In addition to remuneration at clause (i) above, a sum up-to INR Rs.60,000 (Rupees sixty thousand) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and
- c) Encashment of leave as per the policy of the Company.

**RESOLVED FURTHER THAT** payment/re-imbursment of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

**RESOLVED FURTHER THAT** Mr. Arvind Verma, being an Executive Director designated as Whole-Time Director in the Company, will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** further Resolution passed at Annual General Meeting held on September 30, 2023, with respect to appointment of Ms. Sunanda (DIN: 10243709), as Whole-Time Director of the Company for a period of 3 years from August 1, 2023 to July 31, 2026 (both days inclusive) and pursuant to the provisions of Sections 197, 198 read with Schedule V of the Act and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024, the consent of the members of the Company, be and is hereby accorded for revision in the maximum remuneration payable to Ms. Sunanda, Whole time Director of the Company with effect from April 01, 2025, for the remainder of the tenure, be and is hereby specifically sanctioned with the other terms and conditions of his appointment remaining the same, and with the liberty to the Board of Directors ("the Board"), which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors to exercise its powers including the powers conferred hereunder and all the powers and authority conferred to it under the provisions of law), to alter, vary and modify the terms and conditions of the remuneration, in such manner as may be agreed to between the Board and Ms. Sunanda within and in accordance with the Act or such other applicable provisions or any amendment thereto and, if necessary:

- i. Remuneration: A sum not exceeding INR 40,00,000 (Rupees Forty Lakhs only) per annum, whether paid as salary, commission, perquisites, incentives, ex-gratia payments, allowances, or a combination thereof or by whatever name called and whether paid on monthly, quarterly or annual basis or otherwise, as may be decided by the Board, within the aforesaid overall ceiling of remuneration.
- ii. Medical allowance: In addition to remuneration at clause (i) above, a sum up-to INR Rs.30,000 (Rupees Thirty thousand) per annum as medical allowances for all medical expenditures (including premium paid for obtaining any medical/ healthcare insurance(s) for self, spouse and all dependent children).

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and 198 of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013, and other applicable provisions, if any, the following perquisites will not be included in the aforesaid limit of the increased managerial remuneration:

- a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service which will not exceed the exemption limit as per the Income Tax Act, 1961; and

c) Encashment of leave as per the policy of the Company.

**RESOLVED FURTHER THAT** payment/re-imbusement of telephone and/or mobile phone(s) bills, conveyance, fuel expenses or other out of pocket expenses incurred for the purpose and in the course of the official duties will not be included in the aforesaid remuneration.

**RESOLVED FURTHER THAT** Ms. Sunanda, being an Executive Director designated as Whole-Time Director in the Company, will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committees thereof.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

Regd. Office:  
Plot No. 08, Sector 90  
Noida, Uttar Pradesh-201301

By order of the Board  
For **REDTAPE LIMITED**

Date: August 28, 2024  
Place: Noida

**Akhilendra Bahadur Singh**  
Company Secretary & Compliance Officer

## NOTES

1. Pursuant to the General Circular No. 9/2023 dated September 25, 2023, Circular No. 10/2022 dated December 28, 2022, Circular No. 2/2022 dated May 05, 2022, Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 read with Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM and thus attendance slip is not attached to this notice.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the 3<sup>rd</sup> Annual General Meeting (AGM) pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.redtape.com](http://www.redtape.com), The Notice can also be accessed

from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. The Company has designated an exclusive e-mail ID “Compliance@redtapeindia.com” for redressal of shareholder’s complaints / grievances.
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number & prospective questions (if any) at [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com) from September 20, 2024 (9:00 a.m. IST) to September 24, 2024 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, subject to availability of sufficient time for smooth conduct of the AGM.
11. The Board of Directors has not recommended any Final Dividend for the Financial Year ended on March 31, 2024.
12. The Company or Registrar and Transfer Agent (‘RTA’) cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further instructions, if any, already given by them in respect of shares held in physical form, if any, will not be automatically applicable to shares held in the electronic mode.
13. SEBI vide its circular dated April 20, 2018, has mandated registration of Permanent Account Number (PAN) and Bank Account details for all Members holding shares in physical form. Therefore, the Members are requested to submit their PAN and Bank Account details to the ‘Secretarial and Compliance Department’ of the Company at the Registered Office or to RTA of the Company. In this regard, the Members are requested to submit a duly signed letter along with self-attested copy of PAN Card(s) of all the registered Members (including joint holders).

Members are also requested to submit original cancelled cheque bearing the name of the sole / first holder. In case of inability to provide the original cancelled cheque, a copy of Bank Passbook / Statement of the sole / first holder duly attested by the Bank, not being a date earlier than one month may be provided. Members holding shares in demat form are requested to submit the aforesaid documents to their respective Depository Participant (s).

14. Shareholders whose shares has been transferred to IEPF in pursuant to the Composite Scheme of Arrangement between RTS Fashion Pvt. Ltd. to Mirza International Limited and REDTAPE Limited may claim refund from IEPF in accordance with provisions of Companies Act, 2013 and rules made thereunder.

Further, In pursuant to the scheme of arrangement the Company has transferred 476921 equity shares to IEPF, data of which are available on website of the Company.

15. Members of the Company are requested to note that as per the provisions of Section 124 of the Companies Act, 2013, Whose unclaimed shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
16. Details required under provisions of the Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India (ICSI)- (“SS-2”) and Regulation 36 of SEBI Listing Regulations including brief profile of Directors seeking appointment/re-appointment is annexed hereto as Annexure A, as per the requirement.
17. Company has appointed National Securities Depositories Limited (“NSDL”), to provide Video-Conferencing Facility/ Other Audio-Visual Means (VC/OAVM) for conducting AGM.
18. The Company has appointed Mr. Debabrata Deb Nath (FCS-7775, CP-8612 & having email id: [rndregular@gmail.com](mailto:rndregular@gmail.com)), Partner of R & D Company Secretaries as the Scrutinizer for the e-voting process in a fair and transparent manner.
19. The resolution(s) will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolution(s). The Results declared along with the Scrutinizer’s Report(s) will be available on the

website of the Company at <https://about.redtape.com/> and Service Provider's website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the communication will be sent to the BSE Limited and National Stock Exchange of India Limited.

20. Members holding shares in a single name are advised to avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members holding shares in physical form desiring to avail this facility may send their nomination in the prescribed Form No. SH-13, available at Company's website at <https://about.redtape.com/notice-to-shareholders.php> duly filled in to the RTA of the Company. Members holding shares in electronic mode may contact their respective DPs to avail this facility.
21. Non-Resident Indian members are requested to inform the Company/ Company's RTA (if shareholding is in physical mode) / respective Depository Participants (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.
22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
23. Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.
  - For shares held in electronic form to their Depository Participant for making necessary changes. NSDL has provided a facility for registration/updation of e-mail address through the link: <https://eservices.nsdl.com/kyc-attributes/#/login> and opt-in/opt-out of nomination through the link: <https://eservices.nsdl.com/instdemat-kyc-nomination/#/login>
  - For shares held in physical form by submitting to Company's RTA the forms given below along with requisite supporting documents available on Company's website at <https://www.redtapeindia.com/infromationtoinvestors> under the heading KYC updation as per SEBI Requirements.

S. No.	Particulars	Form
1.	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /updation thereof.	ISR -1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Registration of Nomination	SH-13
4.	Cancellation or Variation of Nomination	SH-14
5.	Declaration to opt out of Nomination	ISR-3

24. SEBI vide its Circulars issued during 2023, established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. The regulatory norms regarding the same were consolidated vide SEBI Master Circular dated 11<sup>th</sup> August, 2023. Pursuant to the same, investors shall first take up a grievance with the Company directly, escalate the same through the SCORES Portal and if still not satisfied with the outcome after exhausting all available options, investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>. Link to the ODR Portal is also available on the homepage of Company's website at <https://about.redtape.com/notice-to-shareholders.php>.
25. Members are requested to support Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialised form) or with Registrar and Transfer Agent or the Company (in case of shares held in physical form), for receiving all communication including annual report, notices from the Company electronically.
26. All the documents as required under the Act and referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available for inspection by the Members of the Company without payment of fees at the Registered Office of the Company at Plot No. 08, Sector -90, Noida, Gautam Buddha Nagar, Uttar Pradesh -201301, on any working day between 10.00 A.M. to 05.00 P.M. till the date of the AGM and shall also be available at the venue of the AGM.
27. In line with the MCA Circulars, the Notice of the AGM along with Annual Report 2023-24 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants (DPs)/ Registrar & Transfer Agent (RTA). The Company shall send a physical copy of the Annual Report to those Members who request for the same at [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com) mentioning their Folio No./DP ID and Client ID.

28. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
29. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send their request by an e-mail to [compliance@redtapeindia.com](mailto:compliance@redtapeindia.com) mentioning their Name and Folio Number / DP ID and Client ID.
30. Members may please note that SEBI Circular dated January 25, 2022, as amended, has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <https://about.redtape.com/Intimation-to-Shareholders-having-Physical-Shares.php>. It may be noted that service request can be processed only after the folio is KYC compliant. In terms of Regulation 40(1) of the Listing Regulations, as amended, and SEBI, vide its notification dated January 24, 2022, as amended, has mandated, that all requests for transmission and transposition shall be processed only in dematerialised form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

#### **Procedures for joining the AGM through VC, Remote E-Voting and Voting at the AGM**

The remote e-voting period begins on September 25<sup>th</sup>, 2024, at 09:00 A.M. and ends on September 27<sup>th</sup>, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 21<sup>st</sup>, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21<sup>st</sup>, 2024.

The remote e-voting period will be as under: -

Commencement of remote e-voting	9:00 A.M. On Wednesday, September 25, 2024
End of remote e-voting	5:00 P.M. on Friday, September 27, 2024

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

##### **How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

##### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> </ol>



Type of shareholders	Login Method
	<ol style="list-style-type: none"> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33/ 022-48867000

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>		<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID	For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID	For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company	For example if folio number is 001*** and EVEN is 130248 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.



2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rndregular@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to (Ms. Pallavi Mhatre, Senior Manager) at evoting@nsdl.com

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting@nsdl.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN "130248" of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED, SETTING OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS PROPOSED TO BE TRANSACTED UNDER ITEM NOS. 3 TO 6 OF THE ACCOMPANYING NOTICE FOR THE ANNUAL GENERAL MEETING.**

#### **Item No. 3.**

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have audit of its cost accounts relating to such products manufactured by the Company covered under Central Excise Tariff Act, 1985, as prescribed under Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014, conducted by a Cost Accountant. Based on the recommendation of the Audit Committee, the Board had, at its meeting held on May 29, 2024, approved the re-appointment of Mr. A. K. Srivastava, Cost Accountants (Membership No. 10467 with the Institute of Cost Accountant of India) and (Firm Registration No. 100090) as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company, pertaining to the relevant products, for FY24-25 at a remuneration of Rs. 40,000/- (Rupees forty thousand only) plus applicable taxes, out of pocket and other expenses.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 03 of the Notice.

Mr. A. K. Srivastava has furnished a certificate to the Company regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

None of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid matter.

The Board recommends the Ordinary Resolution set out at Item No. 03 of the Notice for approval by the Members.

#### **Item No. 4**

Mr. Shuja Mirza (DIN: 01453110) was re-designated as Managing Director of the Company effective March 22, 2023, for a period up-to March 31, 2027, as approved by the members of the Company at the Extraordinary General Meeting held on March 30, 2023. Further, the members had authorized the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Shuja Mirza, but such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act'),

Further to the Special Resolution passed at Annual General Meeting held on September 30, 2023 with respect to revision in maximum remuneration payable to Mr. Shuja Mirza and pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024,

The Board of Directors on recommendation of the Nomination and Remuneration Committee & Audit Committee in their meeting held on August 14, 2024, had considered to increase the overall maximum remuneration of Mr. Shuja Mirza, for the remainder of the tenure as mentioned in the resolution at Item No. 4 of the Notice of the Annual General Meeting, subject to the approval of the shareholders at this AGM. In accordance with the applicable provisions of the Companies Act, 2013, approval of members is being sought, by way of Special Resolution, for payment to Mr. Shuja Mirza, Managing Director of the Company, for the remainder tenure of his appointment w.e.f. April 01, 2025.

In the event of loss or inadequacy of profits, the above remuneration by way of salary, commission, perquisites and other allowances payable to the above said Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.

Further, as per the provisions of section II of Part II of Schedule V of the Companies Act, 2013, a statement containing the information required under the said clause is as follows:

## I. GENERAL INFORMATION

- Nature of Industry: The Company is engaged in the business of retail, marketing, design and development of sports and fashion footwear, garments, apparel and other accessories under REDTAPE and other Brands owned by the Company.
- Date or expected date of commencement of commercial production: The Company has carried on its operations since its incorporation.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable
- Financial Performance based on given indicators.

(Rs. in Lakh)

Particulars	Standalone result		Consolidated result	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income	1,84,464	1,46,533	1,85,597	1,47,483
Profit/(Loss) after tax	16,980	13,607	17,624	14,215
Paid-up Share Capital	2,765	2,765	2,765	2,765
Reserves and Surplus	60,453	43,847	62,079	44,911

- Foreign Investments and Collaborations, If any: The company has made investments in its Foreign Subsidiary i.e. REDTAPE HK Limited.

## II. INFORMATION ABOUT THE APPOINTEE

- Background details: Mr. Shuja Mirza is a graduate in Science from the California State University, USA. Having a rich experience in the Field of Marketing, he has been managing the REDTAPE business in the pan-India market. He is managing Operations, Product Design, Development and Manufacturing. Mr. Shuja introduced the Retailing Units and Online Division in the Company, which helped multiply the business and expand its growth. With exposure from the international markets, he is responsible for diversifying and bringing the needed vigor to the Company.
- Past remuneration: Mr. Shuja Mirza was appointed as the Executive Director of the Company and re-designated as Managing Director of the Company effective March 22, 2023 for a period upto March 31, 2027. The remuneration paid to Mr. Shuja Mirza for FY2023-24 was INR 840 lakhs.
- Recognition or awards: During the Financial Year ended company had received the following awards: Flipkart Top advertiser on December 2023, Flipkart Top Flipstart Highest GMV in north Zone on December 2023,

Mytra Tech Threads on November 2023, Platinum seller Award Flipkart on September 2023 and Amazon Step Premium Seller on June 2023.

- d. Job profile and his suitability: Mr. Shuja Mirza designated as Managing Director of the Company. He has been managing the REDTAPE business in the pan-India market. He has overall responsibility for the regular business development and marketing activities of the Company.
- e. Remuneration proposed: As set out in Item No. 4 of this AGM notice. The increased remuneration is effective from April 1, 2025.
- f. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relevant details would be with respect to the country of his origin): The proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package for top-level managerial persons having comparative qualifications and experience.
- g. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: He is the son of Mr. Rashid Ahmed Mirza, Chairman of the Company.

Except Mr. Shuja Mirza, Mr. Rashid Ahmed Mirza (being Father ), none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

#### **Item No. 5**

Mr. Arvind Verma (DIN: 09429834) was re-designated as Whole time Director of the Company effective March 22, 2023, for a period up-to March 21, 2026 as approved by the members of the Company at the Extraordinary General Meeting held on March 30, 2023. Further, the members had authorized the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time for Mr. Arvind Verma, but such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act').

The Board of Directors on recommendation of the Nomination and Remuneration Committee in its meeting held on May 30, 2023, had considered to increase the remuneration package of Mr. Arvind Verma as mentioned in the resolution at Item No. 5 of the Notice of the Annual General Meeting, subject to the approval of the shareholders at this AGM. In accordance with the applicable provisions of the Companies Act, 2013, approval of members is being sought, by way of ordinary resolution, for payment to Mr. Arvind Verma, Whole time Director.

Further to the Special Resolution passed at Annual General Meeting held on September 30, 2023 with respect to revision in maximum remuneration payable to Mr. Arvind Verma, In pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024 had approved revision in Overall Maximum remuneration payable to Mr. Arvind Verma with effect from April 1<sup>st</sup>, 2025 for the remainder of the tenure.

Mr. Arvind Verma has vast experience of Sales & Marketing over 28 years in the Fashion Industry and has been associated with the brand REDTAPE for almost 25 years now. He has been instrumental in ensuring that the brand is always held in high esteem in the market & is fully involved at the micro level & day-to-day operations. He has now been tasked with ensuring the same growth & presence of the brand REDTAPE in International markets.

Save and except Mr. Arvind Verma, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

#### **Item No. 6**

Ms. Sunanda (DIN: 10243709), designated as Whole-time Director ("WTD") of the Company for a period of three (3) years effective from August 1, 2023, to July 31, 2026, at the remuneration approved by the Board.

The Members at the 2<sup>nd</sup> AGM held on September 30, 2023, approved the appointment and terms of remuneration of Ms. Sunanda (DIN: 10243709) as the Whole-Time Director of the Company for a period of 3 years with effect from August 1, 2023, up to July 31, 2026, by way of an Ordinary Resolution ('the said Resolution of 2023').

Further, In pursuant to the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, including any statutory modification(s) or re-enactment thereof, as may be required, and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and the Board of Directors in their respective meetings held on August 14, 2024 had approved revision in Overall Maximum remuneration payable to Ms. Sunanda with effect from April 1<sup>st</sup>, 2025 for the remainder of the tenure.

Ms. Sunanda is a Postgraduate (Geography) from Kurukshetra University and PGCHRM from XLRI, Jamshedpur. She has more than 21 years of experience in Human Resource management and other managerial positions.

Ms. Sunanda has been with REDTAPE Limited (including Mirza International Limited) for more than 14 years and is a core member of top management team. The tenure of appointment and terms of remuneration are as provided in the resolution set out in Item no. 6 of this AGM Notice.

Save and except Ms. Sunanda, non of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution.

**Regd. Office:**

Plot No. 8, Sector 90  
Noida, Uttar Pradesh-201301

Date: August 28, 2024

Place: Noida

By order of the Board  
For **REDTAPE LIMITED**

**Akhilendra Bahadur Singh**  
Company Secretary & Compliance Officer

**Annexure-A**

Pursuant To Regulation 36 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 And Secretarial Standards-2 Issued By ICSI, Information About The Directors Seeking Appointment/ Re-Appointment And Fixation of Remuneration Is Furnished Below:

<b>Name of Director</b>	<b>Mr. Shuja Mirza</b>	<b>Mr. Arvind Verma</b>	<b>Ms. Sunanda</b>
DIN	01453110	09429834	10243709
Father's Name	Mr. Rashid Ahmed Mirza	Mr. Balbir Singh Verma	Mr. Ujagar Singh
Date of Birth	23 <sup>rd</sup> January, 1981	8 <sup>th</sup> January, 1974	12 <sup>th</sup> February, 1978
Date of first appointment on the Board of Directors of the Company	08 <sup>th</sup> December, 2021	08 <sup>th</sup> December, 2021	1 <sup>st</sup> August, 2023
Address	65, Friends Colony East Srinivaspuri, Delhi-110065	A-602, Stellar Greens Apartment, Plot No. D-6, Sector -44, Noida-201301	House No.-238, Panna Bichli Gali, Mangol Pur Kalan, Rohini Sector 5, Delhi-110085
Designation	Managing Director	Whole-time director	Whole-time director
Education	Graduate in Science from the California State University, USA.	Graduate	Postgraduate(Geography) from Kurukshetra University and PGCHRM from XLRI
Nature of Expertise / Experience in specific functional areas.	Rich experience in the Field of Marketing and managing operations, Product Design, Development and Manufacturing.	Vast experience of Sales & Marketing over 28 years in the Fashion Industry.	More than 21 years of experience in Human Resource management and other managerial positions.
Relationships between the Directors inter-se	Son of Mr. Rashid Ahmed Mirza, Chairman of the Company.	Not related to any directors of the Company	Not related to any directors of the Company
No. of Board Meetings attended during the year	Please refer Corporate Governance Report which is a part of this Annual Report		
Terms and conditions of Appointment/ Reappointment	As per the resolution at item number 4 of this notice. Mr. Shuja Mirza's office as Managing Director.	As per the resolution at item number 5 of this notice. Mr. Arvind Verma's office as Whole-Time Director shall be subject to retirement by rotation	As per the resolution at item number 6 of this notice. Ms. Sunanda's office as Whole-Time Director shall be subject to retirement by rotation
Directorship held in other Indian companies (as on August 28, 2024)	Please refer Corporate Governance Report which is a Part of this Annual Report.		
Membership/ Chairmanship of the Committee of Companies (including the Company)			
Directorship held in other listed companies	Please refer Corporate Governance Report which is a Part of this Annual Report.		
Membership/ Chairmanship of the Committee of other listed companies			
Shareholding in the Company (No. & %) (as on August 28, 2024)	4,94,58,174 (35.79 %)	2,000 (0.0014%)	NIL

Details of Remuneration sought to be paid	As mentioned in the resolution at Item	As mentioned in the resolution at Item	As mentioned in the resolution at Item
	No. 4	No. 5	No. 6
Remuneration last drawn (including sitting fees, if any)	As recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board	As recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board	As recommended by the Nomination and Remuneration Committee, Audit Committee and approved by the Board

**INFORMATION AT A GLANCE**

<b>Particulars</b>	<b>Details</b>
Name of the Company	REDTAPE Limited
Contact details	Plot No. 8, Sector 90, Gautam Buddha Nagar, Noida, Uttar Pradesh, 201301 Email: <a href="mailto:compliance@redtapeindia.com">compliance@redtapeindia.com</a> Website: <a href="http://www.redtape.com">www.redtape.com</a>
Date and Time of AGM	Saturday, September 28, 2024
AGM EVEN	130248
Cut-off date for e-Voting	Saturday, September 21, 2024
E-voting Start Date	September 25, 2024
E-voting End Date	September 27, 2024
Link for Participation through VC/OAVM	<a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
Speaker Registration Start Date	September 20, 2024 (9:00 a.m. IST)
Speaker Registration End Date	September 24, 2024 (5:00 p.m. IST)
E-mail correspondence for Speaker Registration	<a href="mailto:Compliance@redtapeindia.com">Compliance@redtapeindia.com</a>
Registrar and Transfer Agents	KFin Technologies Ltd, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana, 500032 Email : <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Website : <a href="http://www.kfintech.com">www.kfintech.com</a>



# REDTAPE STORES IN INDIA



**Total**  
**423 Stores**